

2008/2009

ANNUAL REPORT



[METSWEDING DISTRICT MUNICIPALITY]

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EXECUTIVE MAYOR'S FOREWORD

Whilst this Annual Report reflects on the financial year under review, it also comes at time of the worst global financial crisis. This crisis will affect local government more specifically our ability to ensure that as we continue and upscale the provision of basic services to our communities, it will require that we become more prudent in our management of our resources, specifically our financial resources.

Hence, as we implement our programme to improve the quality of life for all our people, we are also mindful that our ability to alleviate poverty, unemployment, and underdevelopment requires that we grow the economy of the District at a much higher rate than it is growing currently. This certainly cannot be achieved by government alone and partnerships with the private sector are of paramount importance to achieve our growth and development objectives.

It is in this context that we re-affirm our strategic direction developed in the year under review and remain committed to ensuring that we attract investment, create jobs and expand and grow the tax base of the District.

This requires of us to move away from the survivalist approach to economic development. Whilst in some instances, survivalist activity is necessary to deal with short term poverty alleviation; it cannot be the mainstay of our activity to sustainable development and economic growth. It would also require that we fundamentally shift from programmes and projects that do not qualitatively improve the lives of our people and move away from acerbating the dependency syndrome.

Other than the global financial crisis, climate change and energy efficiency matters have become matters of priority for the District. In the year under review we have committed ourselves to ensuring that a comprehensive energy efficiency programme is developed for the District as well undertake a comprehensive education programme to ensure that our communities contribute to the energy saving. Notwithstanding, as we grow the regional economy, the demand for energy will increase and this would require a comprehensive public-private partnership approach in satisfying this need.



EXECUTIVE MAYOR'S FOREWORD

The sad xenophobic attacks that took place within our District, albeit on a small scale, have highlighted the need for continuous interaction with our communities on matters of rights and international solidarity. However, the ready acceptance of the displacees back into our communities is an indication that our communities are a caring and loving people.

The District is indeed on track towards improving the lives of our residents, developing the economy and in an integrated governance framework and protocol, making local government work better for our people. We acknowledge the contribution of councillors, management, other employees, business and civil society. The achievements highlighted in the report serve as good foundation to build on and address the challenges that remain.

Councillor Agnes Mlondobozi
Executive Mayor (signed)



VISION AND MISSION

Vision

A tourist destination where excellence, good governance, sustainable growth and service delivery prevails.

Mission

Metsweding District Municipality is committed to mobilise and utilise resources in partnership with its stakeholders for the realisation of its vision through:

- Provision of capacity to local municipalities
- Promotion of social and economic development
- Creation of a safe and healthy environment
- Encouragement of community participation
- Consolidation and implementation of IDP's
- Adequate training and development of staff

Values

- Consultation: citizens should be consulted about the level and quality of the public service they receive and, wherever possible, be given a choice about the services that are offered.
- Access: all citizens should have equal access to the services to which they are entitled.
- Courtesy: citizens should be treated with courtesy and consideration.
- Information: citizens should be given full, accurate information about the public services they are entitled to receive.
- Openness and transparency: citizens should be told how national and provincial departments, as well as the municipalities are run, how much they cost and who is in charge.
- Redress: if the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response.
- Value for money: public services should be provided economically and effectively in order to give citizens the best possible value for money.



SPEAKER'S REPORT

1. Introduction

The Office of the Speaker has four key strategic objectives which are:

- To ensure that Council performs its oversight functions effectively;
- To give support and capacitate Councillors;
- To facilitate and ensure the participation of the community in all Council activities;
- To oversee the functioning and operations of Council committees.

2. Council Work

In ensuring that Council fully performs its oversight function as per the legislation, the Speaker convened 6 Ordinary Council Meetings and 1 Special Council Meeting. Notices for all of these meetings were issued in time and they all had a quorum that took legitimate resolutions in accordance with the Standing Orders of Council.

Council, with the assistance of the Corporate and Legal Services Department which is serving as its secretariat, kept track of the implementation of all Council Resolutions at least once a quarter.

3. Support for Councillors

Councillors were given general administrative support and assistance in logistical arrangements for their varying engagements internally and externally.

Two major training programs were organized for councillors. Nine (9) councillors attended the Municipal Governance course offered by the University of Johannesburg. Members of the Municipal Public Accounts Committee attended a training workshop organized by the Association of Public Accounts Committees in Cape Town.

The Office of the Speaker organized a Certificate Ceremony for all Councillors who successfully completed the Municipal Leadership Program that they attended in the 2007/08 Financial Year.

4. Public Participation

The Office of the Speaker is part of the IDP Steering Committee wherein we give the necessary advices and inputs pertaining to public participation in particular.

Two rounds of Public Participation meetings in the two local municipalities were held respectively as part of the IDP review process.

In an effort to develop an integrated public participation program for the District, a workshop was organized where all relevant stakeholders including sector departments



SPEAKER'S REPORT

were invited to take part. All the stakeholders presented their plans and programs that were to be implemented in the District. The purpose of the exercise was to synchronize the plans of all the stakeholders to avoid the duplication of programs and in order to collapse the resources.

In order to gauge the performance of the District and its Locals and to better understand the concerns and the level of understanding of the communities about the work of the municipalities, the Office of the Speaker conducted a citizen's survey or public opinion survey across the District.

Following the outbreak of xenophobic attacks throughout the country, the Premier engaged on a provincial program to visit all municipalities to address communities on this matter and to also discuss and find solutions to some of their service delivery issues. The Office of the Speaker assisted in coordinating the Metsweding District Imbizo which was held at the Masakhane Community Hall in Ekangala. Prior to this Imbizo, a session was organized with all the ward committees across the District to discuss and develop a consolidated report around common challenges that were to be raised with the Premier.

In collaboration with the South African Human Rights Commission, the Office of the Speaker organized the public hearing which coincided with the launch of the Law Clinic at the Rethabiseng Community Hall.

As part of the drive to create awareness around food security, the Office of the Speaker assisted the Office of the MEC for Agriculture in organizing and hosting a stakeholder engagement which targeted the religious leaders across the Province.

Towards the general elections, the Speakers Office engaged in a drive to encourage communities to participate in the elections. Over and above the awareness drive which included the printing of pamphlets that urged communities to go and register or verify their names in the voters roll, a community meeting was organized in Steve Biko Ville (NTTLM). At the meeting, the regional office of Home Affairs was organized to be part of the meeting. After the formal program they assisted community members who did not have ID's to apply and some received theirs on the spot. Further, the office partnered with the Adonai Ministries Church in organizing an all night prayer to pray for peaceful elections.

The Office of the Speaker also assisted in coordinating the Imbizo which was to address the parents and the children that were going to attend initiation school. This was done in collaboration with the Department of Education, the Sokhulum Traditional Council and the Kungwini Local Municipality.

The Speaker also hosted and invited various stakeholders to the Council meeting where the Executive presented both the State of the District and the 2009/10 Budget Speech.



SPEAKER'S REPORT

4.1. Complaints and Petitions

No complaint or petition was received in the period under review. However the Office arranged one workshop for the communities of NTTLM to explain the petition processes to be used in case of issues that needed to be raised with the municipalities.

4.2. Ward Committees Support

In an effort to strengthen the work of Ward Committees and enhance public participation, the Office organized a training workshop for all the Ward Committees across the District.

5. Work of Committees

Council has four committees reporting directly to it namely the Petitions and Complaints Committee, the Municipal Public Accounts Committee, the Ethics Committee and the Audit Committee which is based in the Municipal Manger's office.

5.1. Petitions and Complaints Committee

The Committee comprises of four (4) members and is chaired by the Speaker. The Committee did not sit during the period under review as there were no complaints and thus no need for the intervention of the committee.

5.2. Municipal Public Accounts Committee

The committee held a total of seven (7) meetings in the period under review. One of those meetings was to consider the 2007/08 Annual Reports. The committee managed to develop only one oversight report (of the MDM) to this effect that has been tabled to and adopted by Council.

5.3. Ethics Committee

The Committee comprises of four members including the Speaker who is the chairperson. The Committee did not sit in the period under review as no Councillor acted in violation of the code of conduct of Councillors and as such there were no cases referred to it or the Speaker.

6. IGR Matters

The Speaker's Office has continued to be in constant contact with the CDW Unit, as the Regional Supervisor is also housed in the District offices. The CDW's program was integrated with the Speaker's Office's program and the CDW's participated in most of the Council's activities.



SPEAKER'S REPORT

The CDW's are also ex-officio members of the Ward Committees and they have been sitting in their meetings as and when they are available and reporting on their programs and some of the common issues that are also addressed by the committees. The Regional Supervisor has also been part of and participated in the activities of the IDP Technical Committee.

7. Other Programmes

The Office of the Speaker assisted the Corporate and Legal Services Department in recruiting a total number of 32 matriculates who formed part of a learner ship program coordinated by the Department of Local Government. The program started in October 2008 and will end in November 2009.



1. PURPOSE

The purpose of this report is to inform Council about the activities of the Audit Committee for the year ended 30 June 2009, as required in terms of the audit Committee Charter as approved by the Council.

2. LEGISLATIVE REFERENCE

In terms of section 166 of the Local Government: Municipal Finance Management Act 56 of 2003, an Audit Committee established by a municipality, is an independent advisory body which must-

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to:
 - (i) internal financial control and internal audits;
 - (ii) risk management;
 - (iii) accounting policies;
 - (iv) the adequacy, reliability and accuracy of financial reporting and information;
 - (v) performance management;
 - (vi) effective governance;
 - (vii) compliance with the Municipal Finance Management Act , the annual Division of Revenue Act and any other applicable legislation;
 - (viii) performance evaluation; and
 - (ix) any other issues referred to it by the municipality
- (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with the Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation;
- (c) respond to the council on any issues raised by the Auditor-General in the audit report;
- (d) carry out such investigations into the financial affairs of the municipality as the council of the municipality may request; and
- (e) perform such other functions as may be prescribed.



3. BACKGROUND

The following meetings were held to attend to issues for the financial year 2008/2009: -

- 10 December 2008;
- 30 June 2009;
- 22 September 2009, and
- 13 January 2010.

In performing its duties, the committee maintained effective working relationships with the Council, management, the internal and external auditors.

4. AUTHORITY

The authority of the committee was never comprised by the municipality and all information requested was furnished to the committee promptly. The meetings were well attended by management and the external auditors and oversight authorities.

At this stage the committee did not find cause to request councillors to be present.

It must be noted that the position of the chairperson was questioned by The South African Institute of Chartered Accountants (SAICA) as being in conflict with his involvement as an independent contractor on a project that the institute was working on in Gauteng Province, and was requested to resign. The chairperson is however not involved in any projects with the Metsweding District Municipality. The chairperson tendered his resignation and informed the council in the report to the Council in December 2008.

This was taken up with the Provincial Government by the Municipal Manager who engaged SAICA on the matter, and the issue was resolved on 5 June 2009, with SAICA confirming that no conflict of interest existed. The chairperson then resumed his responsibilities. This incident did cause the committee not to sit for an extended period.

5. INTERNAL CONTROL

The committee did assess the extent of council's internal control, but not in detail. During our brief engagements council seems to have good control over reporting, financial and administrative matters. With the introduction of an Internal Audit Charter & an Internal Audit Plan the committee had better insight to analyse



weaknesses and make recommendations on improved internal controls with a view to enhancing appropriate accountability.

6. FINANCIAL REPORTING

a) General

With the information submitted it was concluded that Monthly and Quarterly reports are submitted on time and budget statements are taken to Council, however management reports should be submitted every Quarter.

The municipality has recovered very well after its disaster when the municipal offices were torched in 2008. An internal audit charter was approved, and internal audit reports were tabled regularly.

The budget was tabled in April 2009 and approved on 29 June 2009. Although the Council referred the tabled budget for consultation the committee is not sure if sufficient consultation took place with the community during the IDP & Budget consultation processes.

The draft Annual Report was audited by the Auditor-General and approved by the committee.

RECOMMENDATION

Although the municipality has performed at a reasonable high level further attention and effort needs to be given in areas of Sustainable, Economic, Institutional Development and Transformation. Other areas that need attention are IGR relationships and Community Consultations.

The above recommendations are incorporated into the individual performance plans of managers and Council.

b) Annual Financial Statements

The committee reviewed the annual financial statements and based on the information supplied determined that they were complete and consistent with the information known to committee members and reflects appropriate accounting principles. The Accounting Officer satisfied the committee that the disclosures in the financial statements is appropriate and complies with legislation and the requirements of the Auditor-General.



c) Audit Report

The committee met with the Auditor-General on January 2010. Although it was pleasing to note that the Municipality achieved an unqualified audit opinion, the committee expressed its disappointment that the Auditor-General did not table a draft report to the committee before 30 November 2009 and sign off.

The committee also expressed its concerns on the methodology used to report on Key Governance Responsibilities of the accounting officer in terms of the MFMA, with a simple Yes or No. As this will become a public document, the wrong perception could be created in the eyes of citizens, depending on how the questions are interpreted.

d) Internal Audit

An Internal Audit plan was reviewed and approved by the committee for the current financial year.

The committee expresses concern at the capacity in this department and: -

RECOMMENDS

Council considers additional human capacity in the form of internal auditors and,

The possibility of introducing interns in the internal audit department.

That further risk assessment on strategic risk be done and incorporated into the risk assessment of the Council.

That the Auditor-General considers qualifying its template on Key Governance Responsibilities of the Accounting Officer in terms of the MFMA, so that it will be meaningful to the municipality..

7. PERFORMANCE MANAGEMENT

The committee perused the Annual Performance Report for 2008/09. The committee noticed that the report did not contain any executive summary highlighting its achievements as against the SDBIP and IDP.

RECOMMENDATION

The committee recommends that a written executive summary of achievements be included in the performance report.



8. OTHER MATTERS

The committee was not requested by Council or Management to look into any specific matters during the period under review.

9. CONCLUSION

Although the committee included meeting dates during the new financial year it concentrated mostly on matters relevant to the financial year ended 30 June 2008 and Audit plans for the current financial year.

The committee also concentrated on its governance matters to ensure that the Audit Committee and Internal Audit Charters are in place, and that the internal audit department has its annual audit plan in place.

The committee will like to record its appreciation to councillors and staff for their excellent cooperation with the chairperson extending a special acknowledgment to Mr. Nava Pillay for his special efforts and engagements with the provincial government and SAICA to ensure that this governance structure fulfils its responsibilities.

The committee is of the opinion that it has substantially fulfilled its responsibilities and duties.

RECOMMENDATION

That the report be adopted by council and incorporated into the Annual report for 2008/2009.



Foreword by the Municipal Manager

Since its establishment in December 2000, the Metsweding District Municipality has come a long way in forging a common identity, an integrated approach to service delivery and building a cohesive inter-governmental structure to ensure efficiency and good governance.

This laid the basis for a much improved interaction, co-ordination and integration of work and purpose at all levels of the organisations, specifically between departments of the municipality as well as between officials of the District and the two local municipalities. However, much still needs to be done to ensure optimal operation of the inter-governmental relations structures.

In the year under review, the District had redefined its role to include amongst others the following key strategic perspectives viz.

- Identifying and focusing on facilitating catalytic projects and initiatives that can make a significant impact district wide and which can collectively deliver on our five year mandate;
- Improving ongoing service delivery in areas where we have a clear mandate to deliver;
- Building a strong organization;
- Ongoing co-ordination and support to local municipalities;
- The separation of the Executive and Legislative roles and functions.
- Ensure a District wide shared service approach in many respects for e.g. integrated supply chain management, human resources, external communication and marketing etc.
- District wide strategic economic and infrastructure development.

During the years to come we shall focus our collective resources towards implementation of the following key catalytic projects:

- Development of the Ekandustria conurbation.
- Energy Efficiency and climate change programmes.
- Regional Disaster Management Centre.
- Corridor Development.
- Public Transport interventions specifically rail transport.
- Comprehensive Commercial Farming and related services such as packaging etc.
- Inclusionary and Social Housing.



The Districts commitment to achieving an accelerated economic growth trajectory is under pinned by these perspectives and programmes. Much planning work has already started and in some instances also concluded. However, our economic growth and prosperity is aimed at ensuring a more balanced sharing of benefits by addressing the disparities of the urban and rural divide, the untenable skills gap, the significant lack of urban management and poverty alleviation.

Notwithstanding, the year started off with menacing signs of eminent global financial crisis, amidst a local economy faced with the highest inflation and fuel prices in years, as well as a volatility in the market indicators making any attempt at predictability extremely unpredictable.

However, going forward our approach cannot be business as usual, and our strategies must focus towards unlocking the joint potential of the three municipalities collectively in the interest of our communities. As we enter the new financial year, it has become prudent for the municipality to begin to manage its resources optimally and cut out all the “nice to haves”. Undertaking events or programmes which has no positive impact on our strategic perspectives is a thing of the past.

Furthermore, the performance of the municipality during the period under review was influenced by the developmental challenges it faced in its endeavour to enhance the quality of life all its residents and the performance highlights contained in this report reflect these success and achievements.

I take this opportunity to express my appreciation for the work done by the previous Municipal Manager, Mr C.A. Chikane who left the employ of the municipality at the end of November 2007.

In conclusion, the District Municipality is well positioned and together in partnership with its two local municipalities, other spheres of government, the private sector and civil society, we can do more. In this regard we are proud of our past achievements and are confident of our future endeavours to create a sustainable and liveable District for all our residents.

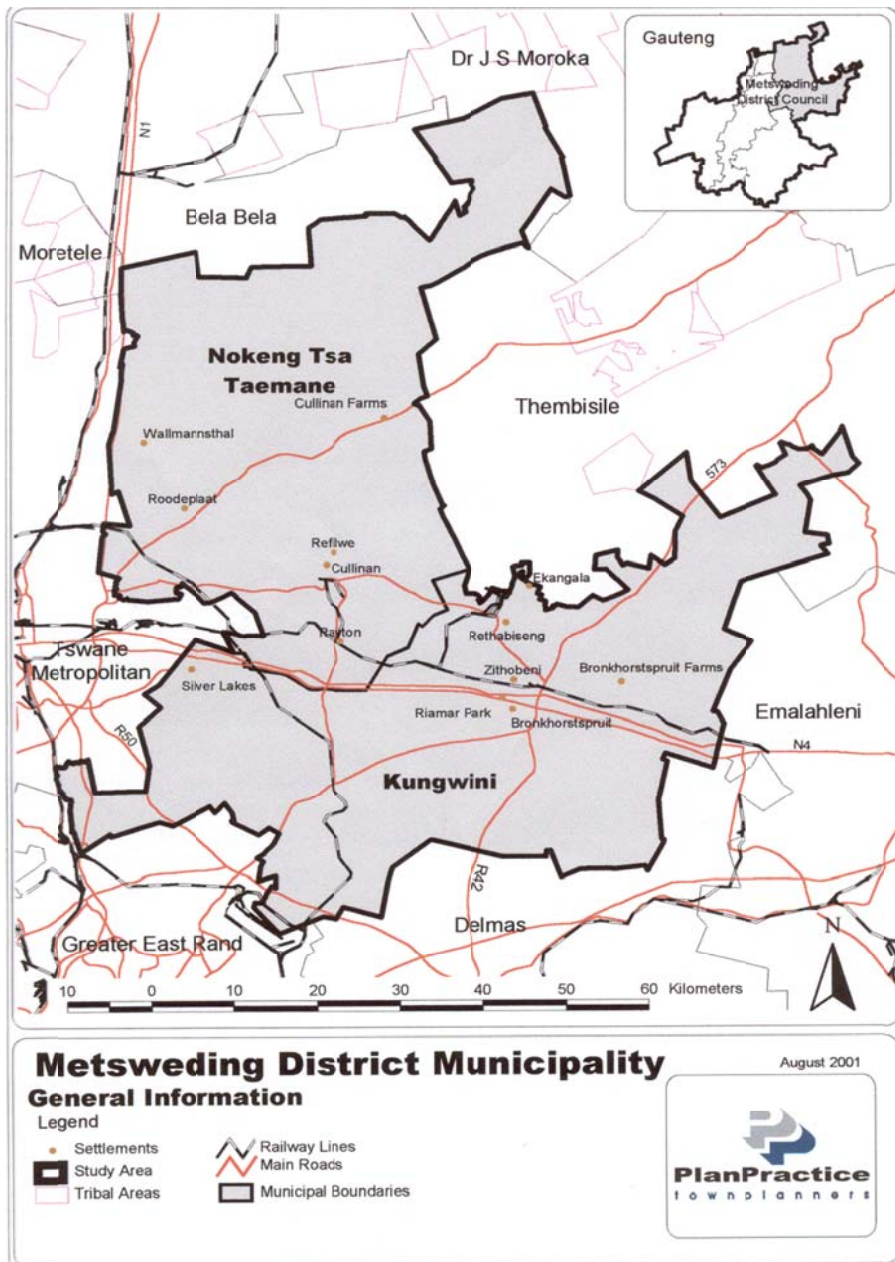
I present to you the annual report for the 2008/09 financial year, inclusive of the annual financial statements, the annual performance report and the report of the Auditor-General.

EV Sweeney
Acting Municipal Manager (signed)



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY**

1. General Profile



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY**

1.1 Economic Activity and Potential

The Metsweding District Municipality (MDM) is situated in the north-eastern corner of Gauteng and comprises a number of natural, cultural and historic attractions. The area is in close proximity to the economic areas of Johannesburg and Tshwane, and easy access is provided via the N1 and N4 freeways.

Metsweding has always been seen as a rural area with a significant, but somewhat underdeveloped agricultural base. However, the greatest strength in respect of agriculture of this area relates to its central location and access to markets, the east-west transport network and proximity to the urban centres within Gauteng.

Metsweding is also an important centre for diamond mining. Cullinan, for example, developed because of the diamond mining activities, which produced the world's largest diamond and the world's largest cut diamond. The mining history of this area has also contributed to the tourism potential of the area.

The "new" economy in the region is Tourism. Existing visitor attractions, ranging from recreation-oriented activity at Roodeplaas Dam to mining and heritage tours in Cullinan, also offer opportunities for further development. The types of opportunities are concentrated in adventure and eco-tourism, and cultural heritage tourism, and include:

- Visitor attractions (museums, natural areas, conservation areas)
- Visitor activities (eco-tours, conservation activities, cultural events)
- Recreation areas and activities (boating, fishing, hiking, biking, etc)
- Accommodations, food and beverage
- Provincial Youth Dialogue
- Conference and meeting facilities (avoid over-supply)
- Retail trade (especially at nodes)
- Manufacturing and distribution in support of tourist trade
- Animal husbandry and agricultural supply in support of game reserve

Through Blue IQ's Dinokeng initiatives, a significant commitment has been made to conservation and the development of an eco-tourism industry in the region. Dinokeng will focus on existing tourism activities in the area and will also provide capacity to develop these activities in the area and the proposed nodes for development within Dinokeng.

It is believed that through the ongoing commitment from the stakeholders in the region, that the focus of the manufacturing base can be changed, resulting in better growth and a larger contribution to the region's economy.



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY****1.2 Spatial Structure and Land Use**

The District is characterised by a mix of peri-urban land use (e.g. low-density residential expansion from Tshwane on its western border), agricultural activities, mining (mainly in the Cullinan area), and natural areas with tourism potential (Dinokeng area in Nokeng LM). The region is in a developing phase and the spatial structure is currently fairly disjointed, with the two activity centres of Bronkhorstspuit / Ekandustria (in Kungwini) and Cullinan (in Nokeng LM) and the N4/'Maputo Corridor' serving as the main distinguishable elements.

New residential developments are occurring around Roodeplaat and Bronkhorstspuit dams, as well as on the region's western boundary with Tshwane. These developments will have to be managed carefully to ensure that the value that they create is in line with the DM's vision and priorities.

There are numerous tourism and recreation facilities that, if managed well in terms of how they are developed, will form an important structuring and place-making element in the district.

1.3 Poverty and Need

Creating sustainable communities who have access to the aforementioned economic opportunities is an important strategy of the MDM in order to address poverty (45%) and unemployment (19%) in the district. The MDM is finalising a comprehensive economic strategy that will not only target the 32% economically inactive part of its community for training, but will also create the relevant economic activity that can act as an entry point for relevant skilled and trained people. Higher economic growth will also allow the MDM to address its service provision concerns.

The provision of services is a national challenge and priority and the MDM is no different. With an average of 25% of the population not having access to most of the basic services¹, the MDM's focus, together with the local municipalities, will be to address the service backlogs, **Table 1.1**, in line with the targets set by the national and provincial governments.

Table 1.1: Backlogs

¹ Source: MIG estimates presented at IDP Hearings in 2005

Service	Backlog %
Water	16%
Sanitation	31%
Electricity	30%

The intention is, however, to ensure that basic service delivery is addressed within a sustainable infrastructure investment framework that includes the maintenance of current infrastructure investments and the development of new infrastructure for growth.



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY**

1.4 Financial Challenges

Like so many growing and developing regions, the MDM is at a sensitive point in its growth path. On the one hand, it has to address current needs whilst on the other, it has to, at the same time, nurture the potential of the region despite limited financial capacity. The challenge is to address current backlogs and, simultaneously, invest in growth that will, in future, ensure that more funding is available to address basic needs.

The intention of the MDM is to achieve the delivery and growth strategy through the creation of partnerships with role players, public and private, well-planned investment strategies and a clear measuring and monitoring process.

1.5 Institutional Capacity

The MDM was newly established at the time of the demarcation process in 2000. With no base from which to work, the focus during the first two years was on devoting the majority of its financial and institutional resources towards establishing the administration and dealing with committed projects inherited from the former Eastern Gauteng Services Council. Institutional issues such as staff recruitment and retention, a comprehensive performance management system and ensuring relevant planning capacity in general will have to be addressed on a continuous basis.

The focus of the next stage is to consolidate its role as a facilitator and coordinator of development and growth for the region in terms of its legal mandate.

1.6 Strategy

Against the backdrop of current reality and challenges, as well as the potential in the region, the MDM developed a strategic framework that addresses the basic building blocks for the development of the region and one that will permit the region to take up its role as a tourism destination and future growth area for the province.

The MDM strategy development process was transformed from an organisational strategic planning process to an integrated and measurable management strategy that does not only focus on the MDM as an institution, but combines the institutional capacity with the impact area and physical development of the region.

2. Social profile

The following Table provides an indication of the composition of the population.



METSWEDING DISTRICT MUNICIPALITY

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REPORT OF THE MUNICIPAL MANAGER: OVERVIEW OF THE MUNICIPALITY

Table 2.1.1 – Composition of the population of South Africa, Gauteng and Metsweding, 2004

Indicator	South Africa	Gauteng	Metsweding	Nokeng Tsa Taemane	Kungwini
Total Population	45 857 655	8 927 378	176 315	52 314	124 001
Population Growth p.a.	1.0%	0.7%	2.9%	0.7%	4.5%
HIV&AIDS +	10.9%	12.1%	11.9%	12.4%	11.5%
Population Groups					
African	36 390 157	6 637 555	137 878	38 194	101 681
Asian	1 120 407	222 215	353	54	248
Coloured	4 099 960	338 392	2 116	1 248	868
White	4 247 131	1 729 216	35 968	14 757	21 204
Gender Percentage					
Male	48.0%	49.2%	52.5%	56.8%	50.3%
Female	52.0%	50.8%	47.5%	43.2%	49.7%

Source: Quantec Research as in Metsweding LED, 2005

The population of Metsweding is estimated at (176 000 in 2004) and it grew by 2.9% on average per annum between 2001 and 2004 while the provincial growth rate was recorded at 0.7%. The majority of the local population is resident in Kungwini LM (approximately 70%). According to the Metsweding SDF (2006), closer examination of the distribution of people in the district indicates that larger numbers of the people are concentrated in Refilwe, Cullinan, Rayton, Zithobeni, Ekangala, and Bronkhorstspuit area.

It is also relevant to note that Provincial net in-migration for Gauteng was 1 186 335 people (2001 to 2004). Gauteng provincial migration accounts for 35% of the national total (Draft Gauteng Spatial Development Perspective, as in DIB, 2005, Net Population Gains and Losses for the period 2001-2004.). A challenge that confronts Metsweding is a lack of information relating to in and out migration.

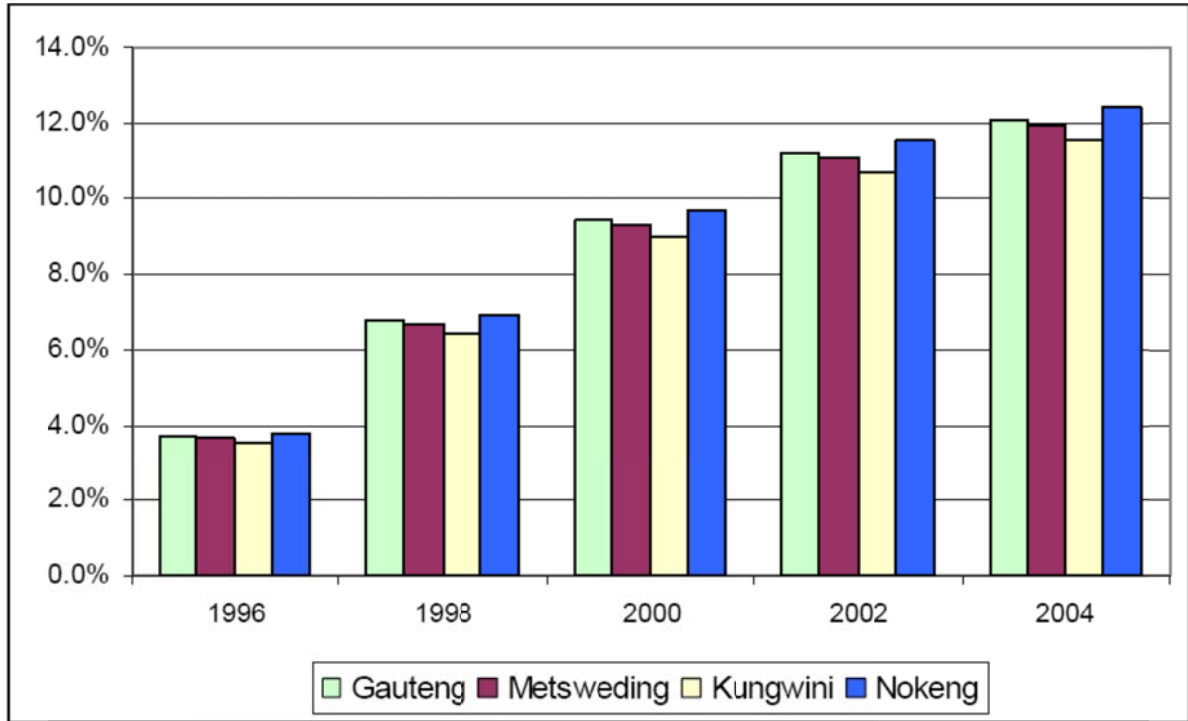
The following Diagram provides an indication of the HIV and AIDS prevalence.

The HIV and AIDS prevalence rate of Metsweding was estimated at 11.9% during 2004 compared to 12.1% for Gauteng as a whole. A higher HIV and AIDS prevalence rate was estimated in Nokeng Tsa Taemane LM (12.4%) than in Kungwini LM (11.5%).



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY**

Diagram 2.1.2 HIV & AIDS prevalence in GP, Metsweding, Kungwini and Nokeng Tsa Taemane



Source: ASASA model for HIV and AIDS Quantec Research as in Metsweding LED, 2006

The following Table provides a summary of the education profile.

Table 2.1.3 Education Profile of Gauteng and Metsweding, 2001

Level of Education	% of Metsweding	% of Nokeng Tsa Taemane	% of Kungwini	% of Gauteng
None	17.01%	12.49%	20.42%	8.4%
Some Primary	15.15%	14.56%	15.60%	11.2%
Completed Primary	6.15%	6.49%	5.88%	5.5%
Some Secondary	29.36%	33.23%	26.44%	34.3%
Grade 12/ Std 10	21.64%	23.49%	20.24%	28.0%
Higher	10.69%	9.73%	11.42%	12.6%
Total	100.0%	100.0%	100.0%	100.0%

Source: Quantec Research as in Metsweding LED, 2006



**REPORT OF THE MUNICIPAL MANAGER:
OVERVIEW OF THE MUNICIPALITY**

Less than 33% of the Metsweding population has a Grade 12 or higher education qualification while 17% have no schooling at all. Kungwini has the largest concentration of adults (18.4%) who did not have any form of formal education while only 32.0% had at least a Grade 12 qualification. Nokeng Tsa Taemane (87.5%) had a higher adult literacy rate than Kungwini (81.6%).

The Metsweding SDF (2006) reveals that following status quo with regards to Health and social infrastructure:

Emergency services: The Gauteng Provincial Health Department is fully responsible for the provision of emergency services. Fire and Rescue activities are carried out by Nokeng Tsa Taemane and Kungwini municipalities. Fire and rescue activities are carried out from Kungwini and Nokeng Tsa Taemane Municipalities and so are the emergency services of the district.

Medical services: The District only has one major private hospital, the Bronkhorstspuit Hospital. There are only 20 beds for public patients, which is insufficient for the number of people in Metsweding.

Educational facilities: The provision of crèches, primary and secondary schools is very limited in both the local municipalities. Although the provision of primary and secondary education is critical, most needed are tertiary and adult education facilities in the district which are non-existent.

Community centres: Within the different areas of the District there exists at least one community centre in each community. The centres appear to be used by the community for local functions.

Social infrastructure: In terms of community centres and health services, the district is fairly well serviced. The only concern relates to the standard of these services and the staff required for the servicing of the patients.



**REPORT OF THE MUNICIPAL MANAGER:
CORPORATE AND LEGAL SERVICES****1. Key Objectives**

- To develop sustainable Council administration;
- To develop and sustain customer relations management for Councillors and staff;
- To ensure employee satisfaction and wellbeing;
- To develop a high performance culture within the organisation.

2. Municipal Structure

Council adopted a new staff establishment plan in October 2008. The new staff establishment provides for six (6) departments excluding the offices of the Executive Mayor, Speaker and the Municipal Manager. The six departments approved by the council are:

- Finance
- Corporate and Legal Services
- Infrastructure Services
- Economic Development and Tourism
- Community Services
- Development Planning and Environment Management

3. Workforce Movement

The workforce movement during 01 June 2008 to 30 June 2009, is as follows:

Appointments

The following appointments were made during the 2008/09 financial year.

	Employee Name	Designation	Department	Race	Gender
1	Radebe J	Finance Interns	Finance	B	M
2	Sehlabo NB	Finance Interns	Finance	B	F
3	Madisa M	Office Attendant	Corporate and Legal Services	B	F
4	Matthys MG	PMS Co-ordinator	MM 's Office	C	M
5	Molopo T	I T Specialist	Corporate	B	F
6	Mashava E	Senior Manager	Infrastructure	B	M
7	Mokwena F	Finance Clerk	Finance	B	F
8	Mashile L	IDP Co-ordinator	Planning	B	F



**REPORT OF THE MUNICIPAL MANAGER:
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	Employee Name	Designation	Department	Race	Gender
9	Prinsloo HIB	Finance Clerk	Finance	W	F
10	Mhlanga P	Chief Internal Auditor	Finance	B	M
11	Pillay N	Municipal Manager	MM'S Office	I	M
12	Mabasa V	Tourism Officer	LED	B	M
13	Mmakola P	Secretary: Community	Community Serv	B	F
14	Mahoro R O	Office Attendant	Corporate	B	F
15	Waldick J	Secretary :LED	LED	C	F
16	Lebelo S	Manager : Environment	Planning	B	F
17	Masilela RV	Admin Assistant	Corporate & Legal	B	F

Contract expiry / Renewal

Ms R V Masilela 's was employed on the temporary basis until the position of Secretary Corporate and Legal Services was filled. Her contract expired end of February 2008. Ms R O Mahoro and Ms N P Jwaga's contracts wre renewed on a monthly basis.

Promotions

The following personnel had been promoted during the financial year (2007/08):-

- Mr L J Mononela from Finance Intern to Senior Manager Finance (01/11/2007)
- Ms T M Moela from LED Co-ordinator to Manager LED (01/02/2008)
- Ms L M Skosana from Receptionist to Secretary Planning and Development (01/06/2008)

Terminations / Resignations

The following personnel resigned during the financial year (2007/08).

- Ms S Kubayi - Manager LED (31/07/2007)
- Ms M R Mothiba - PIMS Co-ordinator(30/09/2007)
- Mr C A Chikane – Municipal Manager (30/11/2007)
- Ms P Mokgotho - Secretary LED (31/03/2008)

Transfers

Ms KD Tshambo has been transferred **from** Secretary: PIMS **to** Secretary: Corporate and Legal Services.



**REPORT OF THE MUNICIPAL MANAGER:
CORPORATE AND LEGAL SERVICES**
4. Employment Equity

Occupational Categories	Post Levels	Black Male	White Male	Coloured Male	Indian Male	Black Female	White Female	Coloured Female	Indian Female	Totals
Top Management	0	0	1	0	1	0	0	0	0	2
Senior Managers & Managers	1 - 3	6	0	0	0	2	1	0	0	9
Associate Professionals	4 - 7	8	0	1	0	5	0	0	0	14
Secretaries & Clerks	7 - 8	1	0	0	0	11	1	1	0	14
Drivers & Body Guards	8 - 12	3	0	0	0	0	0	0	0	3
Service Workers	15	0	0	0	0	4	0	0	0	4
TOTALS		18	1	1	1	22	2	1	0	46
Percentage		39	2	2	2	48	4	2	0	

NB. (0% pd) indicates number of persons with disabilities.

5. Training and Development

The Metsweding District Municipal Council approved the Workplace Skills Plan for the year July 2007 to June 2008 in August 2007. The WSP objectives are:

- To improve productivity through skills;
- To enhance multi-skilling of the workforce;
- To serve as the support base for customer service;
- To enhance individual performance and the performance of the entire municipality;
- To increase management, leadership supervisory competencies;
- To build teamwork and motivation;
- To manage diversity within the local authority – so as to increase understanding and realization of the organisational vision;
- To foster affirmative action in short, medium and long term

The implementation of the WSP for the past year has been as follows:

Course Name	Course Start	Course End	Service Provider	Venue	Name of employee	Accredited Yes /No	Amount
Project Management	06 Months		University of PTA	Pretoria	CA. Chikane	Yes	R21 000
Conciliation & Arbitration	20 November 2007	22 November 2007	CBA Training		SL Sihlangu EM Chipu		
Assessors coaching & mentoring	14 July 2007	17 July 2007	Institute for quality		SL Sihlangu TS Kone TM Moela	Yes	Sponsored by LGSETA
Skills Disciplinary	25 Sept 2007	27 Sep 2007	CBA training		SL Sihlangu EM .Chipu	Yes	R5 940
Records	28 Sept	01 Feb 2007	Assessment		Onicca Louw	Yes	Arranged by



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	2007		college of S.A.				Provincial Archives
Executive Secretary	Jan 2008	Nov 2009	Damelin		LM Skosana JT Phuthi		R10 982
Registry	25 Sept 2007	28 Sept 2007	Provincial Archives		LM Skosana CM Kekae TJ Mogale	No	Arranged by provincial Archives
Basic office Administration	22 Oct 2007	24 Oct 2007	Le- Mark		Iris Mpayela	Yes	R3 495
Labour court proceedings	11 Dec 2007	12 Dec 2007	Lexis Nexis		EM. Chipu	Yes	R4 400
INFRASTRUCTURE							
Project Management	24 -Jan-2008	31-Apr -2008	Damelin		E .Mashava	Yes	
Housing policy development & management	28-01-2008	31 March 2008				Yes	
Contract management	22-01-2008	24 -01-2008	R. Mthombeni	SAMDI		Yes	
FINANCE							
Employment Equity workshop	18 Oct 2007	18Oct 2007	Soft line VIP		EV Sweeney CJ Sweeney IH Prinsloo	Yes	R1 083
Supply chain Management	12 July 2007	13 July 2007	Gauteng Treasury with SAMDI		LJ Mononela MJ Radebe	Yes	Gauteng Treasury
Supply chain Management	23 July 2007	25 July 2007	Gauteng Treasury With SAMDI		LJ Mononela MJ Radebe	Yes	Gauteng Treasury
Supply chain management	13 Feb. 2008	15 Feb 2008	Gauteng treasury		BF. Mokoena	Yes	Gauteng Treasury
Supply chain management	11 Sept 2007	13 Sept 2007	Gauteng treasury		NB Sehlabo MJ Radebe	Yes	Gauteng Treasury
Finance management	25 Feb 2008	November 2008	Wits University		NB Sehlabo		R45 000
SPEAKER 'S OFFICE							
Executive Secretary	Jan 2008	December 2009	Damelin		JT Phuthi	Yes	

6. Staff

Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
N Pillay	Municipal Manager	Top Management	Indian	Male	01/02/2008
EV Sweeney	Chief Financial Officer	Top Management	White	Male	02/01/2002
SL Sihlangu	Senior Manager: Corporate and Legal	Senior Management	Black	Male	01/06/2007
JV Nkuna	Manager	Middle	Black	Male	01/12/2003



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Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
	PIMSS Centre	Management			
LJ Mononela	Senior Manager: Financial Management	Senior Management	Black	Male	01/10/2006
E Mashava	Senior Manager Infrastructure	Senior Management	Black	Male	01/07/2007
SJ Kgalake	Manager: Disaster Management	Middle Management	Black	Male	01/12/2003
EM Chipu	Chief Legal Amin Officer	Middle Management	Black	Male	01/12/2006
CJ Sweeney	Asst Manager: Financial Management	Middle Management	White	Female	02/01/2002
MO Rakgahla	Co-ordinator Speakers Office	Admin support	Black	Male	05/01/2004
PV Mhlanga	Chief Internal Auditor	Middle Management	Black	Male	01/11/2007
NPC Moitsi	Manager: Office Executive Mayor	Senior Management	Black	Male	01/07/2006
RS Lebelo	Manager: Environment Management	Middle Management	Black	Female	09/06/2008
TM Moela	Manager: LED	Middle Management	Black	Female	15/03/2005
RJ Malope	Co-ordinator LED	Admin support	Black	Male	01/03/2006
GM Matthys	Co-ordinator: Performance Management System	Middle Management	Coloured	Male	01/10/2007
ML Mashile	Co-ordinator PIMSS	Middle Management	Black	Female	07/01/2008
TS Kone	Human Resource Officer	Admin support	Black	Female	01/04/2005



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Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
LM Pheko	Executive Mayor's PA	Admin support	Black	Female	22/09/2003
NM Noge	HIV and AIDS Co-ordinator	Admin support	Black	Female	01/08/2004
JM Mdhluli	Co-ordinator Disaster Management	Admin support	Black	Male	07/03/2005
GR Mthombeni	Project Manager	Admin support	Black	Male	01/04/2005
MJ Radebe	Finance Intern	Admin support	Black	Male	01/10/2006
NB Sehlabo	Finance Intern	Admin support	Black	Female	01/10/2006
T Molopo	IT Support Specialist	Admin support	Black	Female	01/10/2007
VS Mabasa	Tourism Officer	Admin support	Black	Male	01/01/2008
MD Shongwe	Executive Secretary	Admin support	Black	Female	23/09/2002
AK Motsubela	Secretary	Admin support	Black	Male	05/01/2004
MO Louw	Senior Records Clerk	Admin support	Black	Female	07/03/2005
CM Matlala	Senior Committee Clerk	Admin support	Black	Female	14/03/2005
SR Matjebe	Chauffer/Body Guard	Admin support	Black	Male	01/04/2006
IHM Prinsloo	Senior Clerk	Admin support	White	Female	01/08/2007
BF Mokwena	Senior Clerk	Admin support	Black	Female	01/01/2008
SJ Mtshweni	Driver	Admin support	Black	Male	01/10/2004
NP Mzamane	Secretary	Admin support	Black	Female	05/01/2004
KD Tshambo	Secretary	Admin support	Black	Female	01/04/2007
JT Phuthi	Secretary: Speaker	Admin support	Black	Female	03/04/2006
LM Skosana	Secretary	Admin support	Black	Female	03/03/2003
JM Waldick	Secretary	Admin support	Colored	Female	01/05/2008



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Employee	Post Designation	Occupational Category	Race	Gender	Date Of Appointment
PA Mmakola	Secretary	Admin support	Black	Female	03/01/2008
NP Jwaga	HIV and AIDS Assistant Co-ordinator	Admin support	Black	Female	01/08/2004
TJ Mogale	Driver	Admin support	Black	Male	04/06/2007
SM Sithole	Driver	Admin support	Black	Male	12/03/2007
M Madisa	Office Attendant	Admin support	Black	Female	01/09/2007
NM Mahlangu	Office Attendant	Admin support	Black	Female	01/10/2004
DI Mpayela	Office Attendant	Admin support	Black	Female	01/10/2004
OR Mahoro	Office Attendant	Admin support	Black	Female	01/03/2008

7. Legal Services

The unit, headed by the Manager: Legal Services comprises of two sub units, namely Committee Services and Records Management.

Committee Services consists of a Committee Officer and three Committee Clerks. The records management has one Records Officer who is in charge of all records management requirements of this municipality who is ably assisted by the Manager: Legal Services.

The main focus of this unit it is to provide sound legal advice and professional committee services and records management to council, its committees and the entire administration.

The legal services unit has ensured that the functioning of Council and its committees has improved during the period under review.

During the year under review, council held a total of nine (9) council meetings, six (6) of these meeting were ordinary meetings of council scheduled accordingly, while three (3) were special meetings.

There was a total of eighty six (86) items considered by council during this period, seventy nine (79) of which were considered in the ordinary meetings of council and seven (7) by special meetings of council.



**REPORT OF THE MUNICIPAL MANAGER:
CORPORATE AND LEGAL SERVICES**

All of these eighty six (86) items were considered for legal compliance by the Manager: Legal Services in order to ensure that council resolutions are legally correct and enforceable.

There was also a total of fifty eight (58) resolutions taken by council in the nine meeting referred to above and thirty nine (39) of these resolutions were implemented by management. The remaining nineteen (19) resolutions are in the process of being implemented.

We have also been successful in ensuring that council approves the system of delegation of powers as required by legislation. We also took the lead in introducing the standing rules and orders of council and ensuring that these rules and orders were gazetted in the provincial gazette.

We are pleased to report that there were no legal proceedings instituted against the municipality during the year under review.

We have also handled request for legal opinion and advice from various internal departments and all requests received were attended promptly.

The Manager: Legal Services has been tasked with the duty to convene and chair meetings the District Legal Advisors Forum which comprises of two legal advisors each from both Kungwini Local and Nokeng Tsa Taemane Local municipalities.

This forum was established under the auspices the Inter Governmental Relations Framework Act technical cluster on Corporate and Legal Services has already met twice during the year under review and further meetings have been scheduled, to deal with issues of common interest amongst these municipalities.

The records management system has started slowly but has now reached its full potential. At a touch of the button the Records Officer is now able to access all stored information and produce the required information within minutes.

The records office received a total of one thousand and sixty eight (1068) letters excluding personal ones and has processed a total of forty files requested from various departments.

We recorded a total of one hundred and sixty thousand two seven hundred and twenty three (162723) official copies made by mainly committee services and other sections in the department.

In conclusion, the year has been hectic one and all members of staff in legal services did their best to make it work. We were unfortunate when the municipal offices were vandalised and set alight by a group of disgruntled members of Ekangala community.



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This incident nearly made us lose our focus, but the agility, foresight, tenacity and expertise of our newly appointed municipal manager and the Chief Financial Officer and other senior staff members kept us together and we conquered where many would have capitulated. The support of our Speaker, the Executive Mayor and the MMC's did not go unnoticed and have to be acknowledged.



**REPORT OF THE MUNICIPAL MANAGER:
COMMUNITY SERVICES**

1. Key Priority Areas

The Department of Community Services is responsible for the following key priority areas:

- I. Disaster Management and Community Safety;
- II. HIV and AIDS; and
- III. Social Services.

2. Institutional Arrangements

The Department consists of a total of six (6) officials, the Senior Manager (with effect from the 01st April 2009), the Secretary, the Manager Disaster Management and Community Safety, Community Safety Officer, the HIV and AIDS Officer and the Assistant HIV and AIDS Officer. There are currently two (2) volunteers who are working in the office assisting the HIV and AIDS Unit who started working in November 2008.

3. The HIV and AIDS Programme

3.1. Workplace Programme

One workshop was held to educate all the employees of the District on HIV and AIDS. The main objective was to raise awareness of the AIDS pandemic caused by the spread of HIV infection. The theme for the day was duped “don’t look away; take action”, as it is a well known fact that this is the biggest problem facing the world today and the fact that nobody is beyond its reach. It was seen by the Municipality as proper to use the day in a way that all participants would know the basic facts about AIDS such as the causes, how to live a positive life if found to be infected and the preventive measures.

3.2. Indigent burials

The Draft Policy was developed and tabled to Council. Council recommended that the Policy be submitted to the public for inputs and comments. One public participation workshop was held in Kungwini Local Municipality. The total number of indigent burials were thirty (30), of which eleven (11) were babies, six (6) youth and thirteen (13) adults.

3.3. NGO Funding

The Unit has engaged with and enlisted the services of various NGO’s who are working on HIV and AIDS and other related programs to assist in implementing some of its



**REPORT OF THE MUNICIPAL MANAGER:
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programs, such as the Child Protection Week Program. This necessitated the development of a policy that will guide and inform the formal granting of funds equitably to all qualifying organizations to assist in implementing HIV and AIDS programs. The Draft NGO Funding Policy was also tabled to Council along with the Indigent Policy and Council also recommended that it be taken for public participation. The Policy was presented in the same workshop where the Indigent Policy was presented.

3.4. Informal Settlements Programme

In order to reach all corners of the District particularly, the rural and informal settlements which are the most vulnerable, the Unit introduced the Informal Settlements Programme. This is a door to program that which focuses of community training and awareness. The Programme was implemented by volunteers who have been posted in all the targeted areas. The programme, which started in November 2008, is implemented in eight (8) informal settlements around the District and 76 volunteers conducted education and awareness programmes through door-to-door visits in their respective areas and they reached 1512 households, 14617 people, distributed 512 condoms and made 47 referrals.

3.5. Child Protection

The Child Protection Programme is a programme that has been implemented annually in a form of a competition and it is coordinated by the Metsweding Victim Empowerment Forum, which consists of all government departments and NGO's dealing with victims in Metsweding. 25 schools participated in the programme, which reached more than 5000 school learners. In the youth out-of-school category only 5 groups entered the completion, 80 young people were reached during the programme.

3.6. HIV and AIDS in relation to Drug Awareness Campaign

HIV infection has increased and substance abuse is one of the contributing factors. A drug awareness campaign was conducted in June 2009. 101 volunteers participated in the campaign of which 3282 households and 13160 people were reached, 2072 pamphlets and 6400 condoms were distributed.

3.7. World AIDS Day Mass Mobilisation Campaign

Metsweding embarked on a Door-to-Door campaign from the 24th to 28th November 2008 as part of the World AIDS Day activities. 513 volunteers were trained and 449



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worked during the campaign which reached 14783 households and 55622 people, whilst 36320 pamphlets and stickers and 41155 condoms were distributed and 1209 referrals were made.

3.8. TB and STI Campaign

TB and STI's are the most common opportunistic infections related to HIV and AIDS. A campaign was conducted from the 16th to 20 March 2009, wherein 567 volunteers were trained. 456 worked during the campaign reached 21784 households, 42828 people, 21977 pamphlets and 41368 condoms were distributed and 931 referrals were made. Another TB campaign event in partnership with SANTA was also arranged and 800 participants and 5 families were reached. TB patients were given e-pap and 320 e-paps have been distributed by June 2009. A total number of 109 women were reached through a workshop based on gender and HIV and AIDS

4. Disaster Management and Community Safety

4.1. Disaster Risk Management Plan

As per legislation, the Unit developed the Disaster Risk Management Plan for the Metsweding District Municipal area in consultation with the Kungwini and Nokeng Tsa Taemane Local Municipalities. The purpose of the plan is to outline procedures for both the pro-active disaster prevention and the reactive disaster response and mitigation phases of Disaster Management. It is intended to facilitate multi agency and multi jurisdictional coordination in both pro-active and reactive programmes. The Plan still awaits a workshop with all relevant stakeholders after which it will be taken to Council for adoption.

4.2. The Communication Centre

The taking over of the Emergency Medical Services by the Province led to disruption of the communication system within the District due to the fact that the well known emergency toll-free number (10177) which the district utilised for the emergency calls was moved to the Communication Centre in Midrand under the Department of Health.

The greatest challenge is that as and when community members make calls to the toll-free number, it will first connect to the centre in Midrand before it could be dispatched back, which delays the response time. To respond to this challenge, the Unit resolved to make an application to South African Police Service (SAPS), requesting the usage of their radio infrastructure network. The SAPS radio network system allows different entities



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the use of the same infrastructure without interference with their daily duties. The Unit then procured a base radio to be used as a repeater whereby all the emergency services within the District will be able to connect the radios. It was agreed that the control room in Kungwini Local Municipality will be used as the radio control room until such time that the establishment of the District Disaster Management Centre which will include a communication centre.

4.3. The Disaster Management Advisory Forum

The Metsweding District Disaster Risk Management Policy Framework requires that the District should create an enabling environment for stakeholder participation and technical advice engagements in the municipality. To this effect the Unit has established the Disaster Management Advisory Forum.

The Forum's aim is to make provision for all relevant role players and stakeholders in disaster risk management in the municipality to integrate and co-ordinate their actions on matters relating to disaster risk management as prescribed for in Section 44(1) of the Disaster Management Act 52 of 2002.

In order to achieve the above mentioned aim, the Unit also arranged a training workshop for all the members of the Forum intended to inform and capacitate them to play a meaningful. The workshop covered the following key areas:

- A gap analysis to determine exactly where the District stands with regard to the implementation of the Disaster Management Act and the National Disaster Management Framework;
- A high level risk assessment to ensure that all the forum members understand the process and their roles and responsibilities; and
- The introduction to risk reduction based on identified risks.

4.4. District Outbreaks Response Team

The District has established an Outbreak Response Team which meets monthly to discuss possible outbreaks that might occur in the district e.g. the Swine Flu, Cholera, Avian Influenza and Rift Valley Fever. The team had a workshop to draft an outbreak preparedness framework to assist stakeholders to have a better understanding of how to respond to outbreaks within the District. All outbreaks were centrally coordinated at the District.



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4.5. Volunteers Training

The Unit embarked on conducting training on basic fire fighting targeting community members, especially youth to act as first responders in their respective communities while they are waiting for Fire Services to arrive. With the assistance of the City of Tshwane Metro, twenty nine (29) members of the community and CDW's from two wards (8 and 3) in the Kungwini Local Municipality were trained on the basic fire fighting course to capacitate them on fire prevention and fighting as they are the first line of defence in their respective areas.

The Unit also arranged for fifteen the members of the community and fifteen volunteers to attend a workshop on the overview of disaster management organised by the Department of Local Government. The workshop was conducted on two different days for the two targeted groups in Johannesburg.

4.6. Fires

The District experienced sporadic incidents of fires, mostly in the informal settlements due to weather conditions which normally are very cold during winter, and people using all kinds of fuel to make fire. The Unit was able to deal with the incidences and assisted with the provision of relief materials to affected individuals. The veld fires were occurring mostly on farms which are privately owned and the owners attended to them.

The following incidences were responded to:

In July a fire destroyed a shack with all its contents at Dark City as a result of illegal electricity connections. In August a shack fire at 3436 F3 Ekangala Dark City critically injured a 7 month old baby. A temporally structure in a form of a tent was erected and blankets were handed to the family, the child was sent to hospital. A total of six (6) people from the various incidences benefited from the relief measures of the Unit.

4.7. Community Safety Forum

The Unit hosted a Community Safety workshop intended to pave way towards the establishment of the Metsweding Community Safety Forum which is a structure that will be responsible for the coordination of community safety issues and lead efforts to design multi-disciplinary initiatives that addresses the root causes of crime within the District.

The objectives of the workshop were to:



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- Introduce and outline the CSF concept
- Share information on the CSF model
- Discuss an ideal structure for the Metsweding CSF and
- To develop a process plan

Pursuant to the workshop, the Forum was duly established and is coordinated by the District and it meets at least once a month

4.8. Child Protection Workshop

The Metsweding District in partnership with Gauteng Department of Community Safety during child protection week, successfully hosted a child protection workshop which focused on issues related to Child Abuse, Domestic Violence and reporting mechanisms thereof with a particular emphasis on child rape (sexual assault), child kidnapping and trafficking. There was also a screening of the Child Safety DVD which highlights the safety tips on how to take necessary precaution to avoid being victims. The workshop was attended by caregivers and educators throughout the District

4.9. Community Safety Plans

The Metsweding District Municipality and the Gauteng Department of Community Safety in partnership with all relevant stakeholders embarked on a process of developing Community Safety Plans (CSPs) throughout the District. The plans are developed by communities and are aimed at contributing towards the combating and ultimate eradication of crime. The process started with the development of the Ekangala Community Safety Plan. The process involved extensive consultation with a range of stakeholders including the community via representatives from the Community Police Forum (CPF), sector forums, Faith-based organisations, NGO's, Taxi Associations etc.

4.10. Fire Fighting Awareness Campaigns

The District along with the Working on Fire team and the two local municipalities conducted a Fire Awareness Campaign at different schools and Pre Schools in the district during the month of September in 2008. The campaigns were held in the following:

- Kutumela Molefe Primary (NTTLM) where a total of 466 pupils were reached.
- Sedibeng Primary School (NTTLM) where 1 400 pupils were reached.



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- Zivuseni Primary School (KLM) where 418 pupils were reached.
- Thembaletu Pre-primary School (KLM).

4.11. Fire Fighting Awareness Campaigns

During the week of the commemoration of the International Fire Awareness week the District along with Kungwini Local Municipality Trained 29 community members on a Basic Fire Fighting Course at the two wards (3 and 8) that are prone to shack fires as part of mitigating the incidence of fires and first line of attack as communities are the ones who can respond quickly before any other line function. The theme thereof was "Prevent Home Fires".

4.12. Other Events and Activities

The disaster management unit and relevant stakeholders as part of our responsibilities continued to ensure safety and security in most of the government events that took place within the district. The events includes amongst others:

- The management of all incidents that can be classified as disaster or may progress into a disaster if not managed during the April 2009 National and Provincial elections as determined by the disaster management Act, 57 of 2002.
- Assisting in the coordination of the Community Prayer against Crime, an event which was hosted by the Zion Christian Church (ZCC). The event attracted thousands of people from all over South Africa and in the neighbouring countries.
- Assisting in the coordination of the Gauteng Youth Commission Campaign Festival. The objective of this campaign was to inform and educate voters, specifically youth about the 2009 general elections; to mobilize for a larger voter turn-out for Gauteng; to raise consciousness and strengthen democracy and to ensure that all eligible voters understand the election process.
- Assisted in the coordination of the Annual King Silamba Celebration which is celebrated every first weekend of March every year at Komjekejeke National Heritage Site in Walmansthal.
- Coordinated the Women in uniform road block held in commemoration of the women's month. The line functions uniform ladies staged a road block on the 8th August 2008 at the R104 next to the Rose Farm. EMS, Fire, Traffic, SAPS, Correctional Services women were in the forefront of the road block by checking vehicles, issuing fines, body search and more- over interacting with the drivers and passengers and handing different departmental pamphlets for information. Male colleagues joined the roadblock as support to the ladies.



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- Assisted in coordinating the Premier's visit to the community of Ekangala on the 29th July 2008 to address service delivery challenges and the xenophobic attacks.
- Coordinated the Paraffin Safety awareness campaign that was held at the L&J informal settlement.
- Assisted in coordinating the Kungwini Mayoral Imbizo held at Ekangala Stadium on the 07 November 2008 to address various demands of the community and to bring services nearer to the people.

5. Social Services – SRAC Programmes

The Unit successfully co-hosted a public viewing event of the match between South Africa and Norway at Die Draai. This event was a provincial pilot project to determine the readiness and capacity of municipalities to host public viewing events during the confederation cup and 2010 matches. The event was hosted as partnership between Gauteng Department of Sports, Arts, Culture and Recreation, Kungwini and Nokeng Tsa Taemane Local Municipalities.

The Unit also during the 2009 FIFA Confederation Cup hosted a public viewing event at Die Draai on the 28 June 2009. The event featured both the matches of the playoffs for 3rd place and the final, which was between South Africa v/s Spain and Brazil v/s USA respectively. The Disaster Management Unit assisted in coordinating all the safety and security agencies to ensure the safety of all the people whom attended the event.



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

1. Introduction

The department strives for the effective and sustainable co-ordination, management and the provision of adequate services infrastructure and facilities to all constituents within the Metsweding District Municipality area of jurisdiction.

Metsweding District Municipality has limited powers and functions.

The District remains responsible for the following:

- Solid waste management sites, serving the area as a whole;
- Municipal roads that serve the area as a whole;
- Regulate passengers transport services;
- Establishment of cemeteries;
- Co-ordinate the provision electricity, water and sanitation and land use;
- Capacity building for the local municipalities, making sure that they deliver as per their mandate.

2. Water

The Metsweding District Municipality is constantly challenged with an ever increasing demand for water due to its rapid expansion. It is clear that for the near future additional water from outside the boundaries of the District will have to be imported. Through the Siyenza Manje supporting programme the high water losses (40 – 50%) encountered by Kungwini has been investigated and funds were allocated in the budget to rectify the leakages, to trace unmetered connections and to get all water consumers registered on the financial billing system. An estimated amount of R75 mil is needed to rectify the problem over the next 5 years. Once the main problem areas has been rectified, substantial savings will be generated on the water account. Currently the water demand exceeds the availability.

The following conditions were identified which will have to be met within the district:

- Realistic reflective bulk water tariffs;
- Bulk water supply agreements between the Water Supply Authorities;
- Full production at Bronkhorstspuit Water Treatment Works;
- Full production at the Weltevreden Water Treatment Works;
- Optimal operation of regional scheme;
- At least a 10% reduction in demand to allow for growth; and
- Reviewing the Water Demand Master Plan for both Local Municipalities as well as the across border demands by Thembisile and Moloto.

The Department successfully facilitated the allocation of funds for an additional reservoir for Moloto. Water will be transported by means of a new pipeline connected to the existing Thembisile water line. Service Level Agreements and tariff structures between Kungwini,



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

Nkangala District Municipality and Nokeng tsa Taemane will still have to be negotiated and finalized. The Rand Water Board played a big supporting role in the negotiations.

The need for a new 500mm water pipe of about 200m in length from the reservoir in Kungwini to the new proposed township Rethabiseng 5 and Rethabiseng Proper to improve the flow and pressure, has been identified. The Department is negotiating with DoLGaH to fund this project as Kungwini had funded the infrastructure in Rethabiseng 5 out of own funds which means that DoLGaH will have a saving on their project costs.

The Bronkhorstbaai Water Treatment Works needs to be upgraded at an estimated cost of R17.1 milj. This will include a telemetry system at a cost of approximately R500 000.

3. Electricity

Due to the rapid expansion of both the Local Municipalities, the need for an Electricity Master Plan became imperative. Add to this the national strive for energy conservation, the Department compiled a Terms Of Reference and Appraisal Report and successfully had funds allocated from DBSA for this R3,2 mil Master Plan. The two Local Municipalities will contribute 40% of the total cost.

4. Waste Water

The district faces a big challenge in coping with its handling of waste water. The Department facilitates negotiations with Tshwane, Kungwini and Nokeng regarding cross border purification of sewerage.

5. Roads and Transport

5.1. Integrated Transport Plan

The Department successfully negotiated with the Department of Roads, Transport and Works to fund the costs for reviewing the current ITP. Consultants have been appointed by the Department and are currently undertaking the study.

5.2. Roads Projects

The Department inspected the different construction phases and coordinated the progress of the following roads projects that were completed by the Dept. of Roads Transport and Works:

Rethabiseng:	6 Projects at a cost of R31 mil
Refilwe:	6 Projects at a cost of R 24 mil



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE****5.3. New Projects**

The Department initiated the implementation of "Ultra Thin Pavement Design" to be used for two new roads projects in Refilwe. The value of the projects will approximately be R7 mil - R8 mil. Ultra Thin Concrete roads are cheaper than asphalt roads and more durable.

6. Cemeteries

Portions 63, 68 and 70 of the farm Leeuwfontein have been donated to the District Municipality by the Department of Public Works for the purpose of a regional cemetery. Consultants were appointed to do a feasibility study. The report had many shortcomings and it was referred back to the consultants to rectify. The properties are in the process of being transferred to the District Municipality. After the transportation has been done, the process of rezoning can commence.

7. Housing**7.1. Refilwe**

A project of upgrading an informal settlement in Refilwe has been implemented by the DoLGaH. The project consists of 443 new houses with a contract value of R2,33 mil.

7.2. Rethabiseng

A R20,7 mil Housing project in Rethabiseng should be completed by end August 2009. The Department intervened in many aspects of the contract where bad workmanship and sub standard supervision could not be tolerated. The Department coordinated the activities, progress and quality on this project in collaboration with the Consultants. The project consists of 547 new houses with surfaced roads, storm water, water and sewerage. Sixteen houses have been scrapped from the project due to rocky conditions. The Department has offered a suitable solution for the problem.

8. Sanitation

The district has a big backlog as far as proper sanitation in the informal settlements is concerned. The status quo in the informal settlements of the district is as follows

	No of Households	No of Pit Latrines	No of Chemical Toilets	Annual Cost of Chemical Toilets (estimate)
Kungwini L M	8401	6282	148	R835 000
Nokeng Tsa Taemane L M	10266	3182	77	R434 280
Total	18667	9464	225	R1 269 000



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

The Department investigated different options to give almost 19000 households proper sanitation. The Urine Diversion System seems to be the most effective and affordable solution. To replace the chemical toilets with –“so- to- say no maintenance” UDS toilets which are designed that the users will have the facility to wash their hands will cost the Municipalities the same as what they pay for chemical toilets over only 9 months. Over a period of 10 years, the cost of UDS toilets should be only 4% of the cost of Chemical Toilets.

9. Other Projects

The Department completed the following smaller projects:

- Palisade fence at a clinic in Steve BikoVille;
- Commissioning of boreholes at Three Birdges (Kungwini);
- Water pipeline from elevated tanks to the newly built ablution facilities at Onverwacht Primary School;
- Got two UDS toilets donated by the manufacturer to the Onverwacht Primary School;
- Cost analysis to convert the fire brigade building in Nokeng into offices;
- Completed the investigation to implement a Geographic Information System in the District, of which Equipment has been bought and officials trained to operate the system; and
- The Department is facilitating the process to eradicate the use of expensive water carted to Sterkfontein and to get a water connection from a Eskom water line nearby.

Introduction

We take the approach of fast tracing economic emancipation and self reliance of our communities as the agenda and mission of the next four years. The department's objectives are as follows:

- Ensure integrated development for economic growth in the region;
- Development of SMME and cooperatives ;
- Increase economic opportunities through economic empowerment;
- Promote and develop tourism potential of the district;
- Promote tourism as a key economic development sector;



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

Key Performance Highlights

1. SMME and Cooperative Development

- Facilitate the establishment and support for the Cooperatives development in the District;
- 85 Cooperatives established;
- Procuring of the brick making machines for Emanzini Wonder Bricks Cooperative at total amount of R148 000;
- Capacity Building for Cooperatives;
- 80 Coops have received training on project management, participatory development, financial management, marketing and costing provided by Tswelangpele Cooperative LTD;
- MADSED- conducted training needs assessments for SMME's, CBO, & Coops etc;
- National Cooperative Week Conference(NCWC);
- 20 Cooperatives are participated in the NCWC organized by DTI in Pretoria.

2. Agricultural Development

Agricultural hubs & road signage

- GDACE developed the Agriculture Plan (A-plan), which is the defining programme of action for the agriculture hubs.
- The department has facilitated the process of identifying the suitable areas for the Agricultural Road Signage and GDACE is in the process of calling for tenders.

Support for Emerging Farmers

- We supported seven emerging farmers with production inputs, boreholes, & extension of layers structures,(Nolufefe project , Maria Mashiga Piggery Project, Xulu layer production , Phaphamang MaAfrica cc,Phirima broiler,Legodi broiler & Mohlathi Poultry Project).
- We supported the establishment of the agro-processing facilities (egg processing at Qoboshane farming Cc);
- The Department facilitated the training on broiler management for Mohlathi Poultry Project;
- We secured funding of R1,312,018 for both Mohlathi poultry project & Kholiwe sewing Cooperative , and R1,2 million to implement De Wagendrift Layer project from NDA(National Development Agency).



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

3. Tourism Development

- 30 tourism product owners have been trained on customer care and accommodation services;
- Facilitated the tourism awareness workshop for 30 cooperatives;
- Facilitated the establishment of the Kungwini Tourism Association;
- 80 establishments have been for graded including the Dinokeng area;
- 13 youth trained on Italian Language at the Italiano institute de Cultura;
- Coordinated 2 tourism SMME's to be assisted in the participation at Tourism Indaba in Durban;
- Facilitated the funding for 2,3 mil from Department of Environmental Affairs and Tourism to implement the infrastructural development for Komjekejeke Heritage site;
- Process of implementing the Tourism Institutional framework for GTA and established the Regional Tourism Organisation;
- MOU was signed between the private sector and public sector agreeing on the roles and responsibilities that they have to undertake in other to promote tourism in the region;
- Hosted the Puisano Roving Jazz in Tarven to promote local jazz musicians and tourism in Township;
- Development of Tourism Marketing Material;
- Participation at the Tourism Indaba 2008.

4. Projects for 2008/09

- Development of Tourism Development Strategy;
- Support for Tourism grading and Signage;
- Support for the Komjekejeke Heritage Site event and the Development;
- Support for the Puisano Roving Jazz in township to promote tourism;
- Tourism Marketing and Exhibitions;
- Capacity Building for Unemployed , Businesses and Cooperatives;
- Agricultural Development Strategy;
- Implementation of the A-Plan for the Agricultural Hub;
- Support the implementation of Sokhulumu Jewellery Project;
- LED strategy review;
- Implementation of CASP projects.

5. Challenges

- Insufficient funding to develop strategies identified in LED strategy;



**REPORT OF THE MUNICIPAL MANAGER:
INFRASTRUCTURE**

- Only 12% of the projects are implemented;
- Local Municipalities not supporting the MDM strategy hence they are in the process of developing their own strategies;
- Institutional Arrangements for LED to implement strategy;
- Sector forums not organised;
- Limited funds for tourism development;
- Plans not in line with the local municipalities;
- Delays in acquiring and purchasing land within Agricultural Hubs by GPLRO(Gauteng Provincial Land Reform Office);
- Insufficient budget dedicated to Agricultural & Cooperative development by the District, while no budget was allocated by the Local Bs for Agric and Coop Development;
- Backlog in CASP funding programme for infrastructure support;
- Zoning and Council approval to authorise the utilisation of identified land for De Wagensdrift Layer project by Nokeng tsa Taemane.



GENERAL INFORMATION
for the year ended 30 June 2009

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METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

GENERAL INFORMATION

for the year ended 30 June 2009

EXECUTIVE MAYOR

Councillor A. Mlondobozi

SPEAKER OF THE COUNCIL

Councillor R. Makola

MEMBERS OF THE MAYORAL COMMITTEE

Councillor J.S. Mabona

Councillor J.M. Masango

Councillor R.N. Seoketsa

MEMBERS OF THE METSWEDING DISTRICT MUNICIPALITY

Councillor V.S. Botha

Councillor M.M. Chaba

Councillor J.H. Faul

Councillor M.I. Janse van Vuuren

Councillor H.A.M. Khan

Councillor E.S. Mashiloane

Councillor P.M. Moloi

Councillor P. Pitseng

Councillor T.J. Rossouw

Councillor P.J.A. van der Merwe

MUNICIPAL MANAGER

Mr. N. Pillay (seconded to Kungwini Local Municipality with effect from 6 April 2009)

Mr. E.V. Sweeney (acting with effect from 6 April 2009)

CHIEF FINANCIAL OFFICER

Mr. E.V. Sweeney (acting as Municipal Manager with effect from 6 April 2009)

Mr. L.J. Mononela (acting with effect from 1 May 2009)

GRADING OF THE LOCAL AUTHORITY

Grade 3 for the purpose of the remuneration of councillors.

AUDITORS

Auditor – General

BANKERS

ABSA Bank Limited

REGISTERED OFFICE

MEEC Building
287 Iridium Street
Ekandustria

POSTAL ADDRESS

Private Bag X10579
Bronkhorstspuit
1020

CONTACT DETAILS

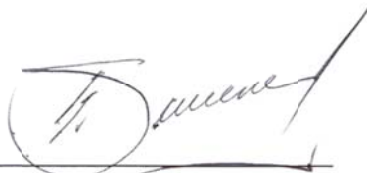
Tel: (013) 933 6500
Fax: (013) 933 3566



**DECLARATION OF THE ACCOUNTING OFFICER
for the year ended 30 June 2009**

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 32, in terms of Section 126(1) of the Municipal Finance Management Act, 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 12 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



E.V. Sweeney
Acting Municipal Manager
31 August 2009



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****STATEMENT OF FINANCIAL POSITION****as at 30 June 2009**

	NOTES	2009 R	2008 R
NET ASSETS AND LIABILITIES			
Net assets		17 130 249	17 407 587
Government grant reserve		63 329	110 174
Revaluation reserve		2 652 838	-
Accumulated surplus		14 414 082	17 297 413
Current liabilities		10 488 708	16 964 009
Provisions	2	57 068	57 068
Creditors	3	4 272 317	2 198 433
Unspent conditional grants and receipts	4	6 159 323	14 708 508
Total net assets and liabilities		27 618 957	34 371 596
ASSETS			
Non-current assets		5 968 938	3 573 583
Property, plant and equipment	5	5 907 241	3 573 583
Intangible assets	6	61 697	-
Current assets		21 650 019	30 798 013
Debtors	7	1 193 001	669 435
Bank balances and cash	8	20 457 018	30 128 578
Total assets		27 618 957	34 371 596



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****STATEMENT OF FINANCIAL PERFORMANCE****for the year ended 30 June 2009**

	NOTES	2009 R	2008 R
REVENUE			
Regional Services Council levies		-	118 358
Interest earned – external investments		2 927 993	3 552 992
Government grants and subsidies	9	32 500 373	29 012 576
Other income	10	1 169 285	308 505
Gains on disposal of property, plant and equipment		76 316	-
Total revenue		36 673 967	32 992 431
EXPENDITURE			
Employee related costs	11	15 069 000	11 987 017
Remuneration of councillors	12	2 373 186	2 151 277
Bad debts		-	10 425
Depreciation		987 132	954 432
Amortisation		8 434	-
Repairs and maintenance		898 029	620 165
Finance costs		918	-
Regional services – operational		10 051 206	7 048 418
Grants and subsidies paid – capital	13	62 130	2 890 784
General expenses	14	9 981 515	7 367 120
Loss on disposal of property, plant and equipment	5	172 593	116 130
Total expenditure		39 604 143	33 145 768
DEFICIT FOR THE YEAR		-2 930 176	-153 337

No segmental statement of financial performance has been prepared.
Refer to Appendix B(1) for comparison with the approved budget.



METSWEDING DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS 2008/09
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 30 June 2009

	Revaluation Reserve	Government Grant Reserve	Accumulated Surplus / (Deficit)	Total
	R	R	R	R
2008				
Balance at 1 July 2008	-	343 590	17 217 334	17 560 924
Deficit for the year			-270 346	-270 346
Correction of error (Note 17)			117 009	117 009
Asset disposals		-27 145	27 145	-
Offsetting of depreciation		-206 271	206 271	-
Balance at 30 June 2008	-	110 174	17 297 413	17 407 587
2009				
Deficit for the year			-2 930 176	-2 930 176
Transfer to revaluation reserve	2 652 838			2 652 838
Offsetting of depreciation		-46 845	46 845	-
Balance at 30 June 2009	2 652 838	63 329	14 414 082	17 130 249



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****CASH FLOW STATEMENT****for the year ended 30 June 2009**

	NOTES	2009 R	2008 R
CASH FLOWS UTILISED IN OPERATING ACTIVITIES			
Cash receipts from levy payments, government and other sources		24 596 908	26 007 103
Cash paid to suppliers and employees		-36 361 182	-32 081 841
Cash utilised in operations	15	-11 764 274	-6 074 738
Interest received		2 927 993	3 552 992
NET CASH UTILISED IN OPERATING ACTIVITIES		-8 836 281	-2 521 746
CASH FLOWS UTILISED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment / intangible assets		-910 677	-1 576 917
Proceeds on disposal of fixed assets		76 316	
NET CASH UTILISED IN INVESTING ACTIVITIES		-834 361	-1 576 917
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		-918	-
NET CASH FROM FINANCING ACTIVITIES		-918	-
NET DECREASE IN CASH & CASH EQUIVALENT		-9 671 560	-4 098 663
Cash and cash equivalents at the beginning of the year		30 128 578	34 227 241
Cash and cash equivalents at the end of the year	16	20 457 018	30 128 578



NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 30 June 2009****1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS****1.1 BASIS OF PRESENTATION**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008.

These standards are summarised as follows:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	Effects of changes in foreign exchange rates
GRAP 5	Borrowing costs
GRAP 6	Consolidated and separate financial statements
GRAP 7	Investments in associates
GRAP 8	Interests in joint ventures
GRAP 9	Revenue from exchange transactions
GRAP 10	Financial reporting in hyperinflationary economies
GRAP 11	Construction contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after reporting date
GRAP 16	Investment property
GRAP 17	Property, plant and equipment
GRAP 19	Provisions, contingent liabilities, and contingent assets
GRAP 100	Non-current assets held for sale and discontinued operations
GRAP 101	Agriculture
GRAP 102	Intangible assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

These annual financial statements have been prepared on a going concern basis.

In preparing the annual financial statements to conform with the standards of GRAP, management is required to make estimates, judgements and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgements and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

1.4 RESERVES

1.4.1 Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit). The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

1.5 PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009**

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Where an item of property, plant and equipment was donated, it is initially recognised at its fair value as at the date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is commissioned into use.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy, refer to note 5. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Subsequently land and buildings are stated at revalued amounts, being the fair value of the land and buildings at the date of revaluation less subsequent accumulated depreciation and impairment losses in respect of buildings only. All other items of property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Revaluations are performed with sufficient regularity, but at least every three to five years, to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

A decrease in the carrying amount of land and buildings as a result of a revaluation is recognised as an expense unless there is a revaluation surplus in the reserve account. Any amount in excess of the revaluation surplus is recognised as an expense.

Land is not depreciated as it is regarded as having an infinite life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS**for the year ended 30 June 2009**

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful lives of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:-

Other:

Land and buildings	Not depreciated
Motor vehicles	5 years
Office equipment and computers	3 – 5 years
Furniture and fittings	3 – 7 years

1.6 INTANGIBLE ASSETS

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in the statement of financial performance as incurred.

1.6.1 Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Municipality and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 – 5 years
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

Each item of intangible asset is amortised separately.

Intangible assets that have an indefinite useful life are tested for impairment annually.

The estimated useful life, the amortisation method and the residual values are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

1.7 FINANCIAL INSTRUMENTS

Financial instruments are initially measured at fair value, plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with IAS 39, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables.

1.8 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are excluded. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.9 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate used in calculating the present value is the interest rate implicit in the transaction. Where this is impractical to determine the average interest rate cost of borrowing rate of the Municipality is used.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is reversed.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009**

1.10 EMPLOYEE BENEFITS

1.10.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences and profit sharing and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

1.10.2 Retirement benefits

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entitling them to the contributions.

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.11 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

1.11.1 Revenue from exchange transactions

Grants and donations received

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

Deferred Income

Government grants are recognised as deferred income in the statement of financial position when there is reasonable assurance that such revenue will be received and that the Municipality will comply with the conditions attaching the to the grant. Deferred grant income is classified to the statement of financial position as revenue on a systematic basis over the period necessary to match the grants with the related costs for which they are intended to compensate.

Deferred income relating to government grants are recognised on the following bases:

- Capital contributions to property, plant and equipment: Credited on a systematic basis to the Statement of financial Performance based on the estimated useful life of the plant and equipment.
- Income-related grants subsidising expenses: Credited to the Statement of Financial Performance as revenue when the related expense is recognised.

1.11.3 Other

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

1.12 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the invoice basis.

1.13 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act, 2003 (Act No.56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009**

1.14 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Municipal Systems Act, 2000 (Act No.32 of 2000), the Public Office Bearers Act, 1998 (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 COMPARATIVE INFORMATION

Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current year only. Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
2. PROVISIONS		
Provision for performance bonuses	57 068	125 220
Correction of Error (Note 17)	-	-68 152
Total Provisions	57 068	57 068
Movement in provision for performance bonuses		
Balance beginning of year	57 068	322 957
Contributions	-	57 068
Performance bonuses paid to employees	-	-322 957
Balance end of year	57 068	57 068
Opening balances for 2007 restated. (See note 16)		
3. CREDITORS		
Trade creditors	2 516 343	926 042
Retentions	385 884	385 884
Staff leave	1 370 090	886 507
Total Creditors	4 272 317	2 198 433
4. UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
4.1 Conditional Grants from other spheres of Government	6 159 323	14 708 508
LGTF - Local Government Transition Fund Grant	-	14 982
HIV & AIDS Grant	3 181 033	6 352 416
LED - Local Economic Development Grant	-	1 043 502
LED - Local Economic Development Grant Entrepreneurial Development Centre	-	1 442 477
MSP - Municipal Support Programme Grant	264 696	1 364 886
LED - Local Economic Development Thuthuka Poultry Grant	14	22 429
BSRP - Building for Sports & Recreation Programme Grant	442 512	451 554
MSIG - Municipal Systems Improvement Grant	872 308	1 946 737
WSP - Water & Sanitation Master Plan Capacity Building Grant	839 199	986 199
FMG - Financial Management Grant	364 206	397 326
ITPR - Integrated Transport Plan Railway Study Grant	87 149	87 149
GT - Finance Intern Support Grant	53 136	-
S249 - Construction of Road S249 Grant	1 986	1 986
IDP NSDP - National Spatial Development Perspective Grant	53 084	596 865
Total Conditional Grants and Receipts	6 159 323	14 708 508
See Note 9 for reconciliation of grants from other spheres of government.		
These amounts are invested until utilised.		



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009**

5. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value	Land and Buildings R	Other PPE R	Total R
30 June 2009			
Carrying values			
at 1 July 2008	999 105	2 574 478	3 573 583
<i>Cost</i>	999 105	5 045 376	6 044 481
<i>Accumulated depreciation - Cost</i>	-	-2 470 898	-2 470 898
<i>Acquisitions</i>	-	840 546	840 546
<i>Increases/decreases in revaluation</i>	2 650 895	-	2 650 895
<i>Depreciation - based on cost</i>	-	-987 132	-987 132
<i>Carrying value of disposals</i>	-	-172 594	-172 594
<i>- Cost/revaluation</i>	-	-1 604 586	-1 604 586
<i>- Accumulated depreciation</i>	-	1 431 992	1 431 992
Carrying values			
at 30 June 2009	3 650 000	2 257 241	5 907 241
<i>Cost</i>	999 105	4 281 336	5 280 441
<i>Revaluation</i>	2 650 895	-	2 650 895
<i>Accumulated depreciation - Cost</i>	-	-2 024 095	-2 024 095
<i>- Cost</i>	-	-2 026 038	-2 026 038
<i>- Change in accounting estimate</i>	-	1 943	1 943
30 June 2008			
Carrying values			
at 1 July 2007	999 105	2 068 122	3 067 227
<i>Cost</i>	999 105	4 067 922	5 067 027
<i>Accumulated depreciation - Cost</i>	-	-1 999 800	-1 999 800
<i>Acquisitions</i>	-	1 522 917	1 522 917
<i>Correction of error - Acquisitions (Note 17)</i>	-	54 000	54 000
<i>Depreciation</i>	-	-954 431	-954 431
<i>- based on cost</i>	-	-949 288	-949 288
<i>- correction of error (Note 17)</i>	-	-5 143	-5 143
<i>Carrying value of disposals</i>	-	-116 130	-116 130
<i>- Cost/revaluation</i>	-	-599 463	-599 463
<i>- Accumulated depreciation</i>	-	483 333	483 333
Carrying values			
at 30 June 2008	999 105	2 574 478	3 573 583
<i>Cost</i>	999 105	5 045 376	6 044 481
<i>Accumulated depreciation - Cost</i>	-	-2 470 898	-2 470 898

Refer to Appendix A and B for more detail on property, plant and equipment.

Pledged as security

None of the assets included in property, plant and equipment have been pledged as security.



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 R	2008 R
Detail of properties		
Freehold land to the value of R950 000 (Cost: R189 105) was acquired through succession from our predecessor in title, the Eastern Gauteng Services Council. The land has been transferred into the name of the municipality on the 19th August 2009.	950 000	189 105

Land and buildings comprise of the following properties

Remainder of Ptn 11, Kleinzonderhout 519 JR, Gauteng (Revalued 30 June 2009)	950 000	189 105
Erf 135, Erasmus Township, Bronkhorstspuit, Gauteng (Revalued 30 June 2009)	1 800 000	660 000
Erf 136, Erasmus Township, Bronkhorstspuit, Gauteng (Revalued 30 June 2009)	900 000	150 000
	3 650 000	999 105

6. INTANGIBLE ASSETS

	Computer software R	Total R
Carrying values at 1 July 2008	-	-
<i>Cost</i>	-	-
<i>Accumulated amortisation</i>	-	-
Acquisitions – externally	70 131	70 131
Amortisation	-8 434	-8 434
Carrying values at 30 June 2009	61 697	61 697
<i>Cost</i>	70 131	70 131
<i>Accumulated amortisation</i>	-8 434	-8 434

	2009 R	2008 R
7. DEBTORS		
Investment interest accrued	2 471	39 811
Eastern Gauteng Services Council: Distribution account	-	7 754 333
Department of Sport, Arts, Culture & Recreation – Gauteng	580 000	
SAICA	46 500	
SARS VAT	503 030	568 624
Deposits	61 000	61 000
Sub Total	1 193 001	8 423 768
Less: Provision for bad debt	-	-7 754 333
Total Debtors	1 193 001	669 435



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2009

	2009 R	2008 R
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8. BANK BALANCES AND CASH

The Municipality has the following primary bank account: -

Current Account (Primary Bank Account)

Bank: ABSA Bank Ltd
Account Number: 4053347128

Cash book balance at beginning of year / (overdrawn)	<u>30 128 578</u>	<u>34 227 241</u>
Cash book balance at end of year / (overdrawn)	<u>20 457 018</u>	<u>30 128 578</u>
Bank statement balance at beginning of year / (overdrawn)	<u>30 128 578</u>	<u>34 227 241</u>
Bank statement balance at end of year / (overdrawn)	<u>20 457 018</u>	<u>30 128 578</u>

The municipality had opened and closed the following bank accounts during the year:

Fixed Deposit

Bank: ABSA Bank Ltd
Account Number: 2068194788

Cash book balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Cash book balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>

Fixed Deposits

Bank: ABSA Bank Ltd
Account Number: 2068194754
Account Number: 2068514261
Account Number: 2068660117

Cash book balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Cash book balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at beginning of year / (overdrawn)	<u>-</u>	<u>-</u>
Bank statement balance at end of year / (overdrawn)	<u>-</u>	<u>-</u>



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R

Call Account

Bank: ABSA Bank Ltd

Account Number: 9218634222

Cash book balance at beginning of year / (overdrawn)	-	-
Cash book balance at end of year / (overdrawn)	-	-
Bank statement balance at beginning of year / (overdrawn)	-	-
Bank statement balance at end of year / (overdrawn)	-	-

9. GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	21 172 723	17 750 240
LG SETA	72 465	324 730
HIV & AIDS Grant	3 171 383	1 990 819
LED - Local Economic Development Capacity Building Grant	1 043 502	151 200
LED - Entrepreneurial Development Centre Grant	1 442 477	3 939 420
MSP - Municipal Support Programme Grant	1 850 190	367 542
LED - Local Economic Development Thuthuka Poultry Grant	22 415	30 935
BSRP - Building for Sports & Recreation Programme Grant	9 042	-
MSIG - Municipal Systems Improvement Grant	1 809 430	621 905
WSP - Water & Sanitation Master Plan Capacity Building Grant	147 000	272 355
FMG - Financial Management Grant	533 119	528 514
Gauteng Capacity Building Grant	-	140 997
S249 - Construction of Road S249 Grant	-	2 890 784
LGTF - Local Government Transition Fund Grant	14 982	-
GT - Finance Intern Support Grant	87 865	-
SACR - Confederation Cup Viewing Grant	580 000	-
IDP NSDP - National Spatial Development Perspective Grant	543 780	3 135
Total Government Grants and Subsidies	32 500 373	29 012 576

9.1 Equitable Share

This unconditional grant is used as general revenue

9.2 LG SETA

Balance unspent at beginning of year	-	128 750
Current year receipts	72 465	195 980
Conditions met - transferred to revenue	-72 465	-324 730
Conditions still to be met - transferred to liabilities (see note 4)	-	-

The conditions of the grant have been met. There was no delay or withholding of the subsidy



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
9.3 HIV & AIDS Grant		
Balance unspent at beginning of year	6 352 416	6 260 235
Current year receipts	-	2 083 000
Conditions met - transferred to revenue	-3 171 383	-1 990 819
Conditions still to be met - transferred to liabilities (see note 4)	3 181 033	6 352 416

The conditions of the grant have been met to the extent that it has been expensed. The donor has approved the rollover of the unspent portion of the grant to the next financial year, over which period it will be spent.

9.4 LED - Local Economic Development Capacity Building Grant

Balance unspent at beginning of year	1 043 502	1 180 702
Current year receipts	-	14 000
Conditions met - transferred to revenue	-1 043 502	-151 200
Conditions still to be met - transferred to liabilities (see note 4)	-	1 043 502

The conditions of the grant have been met.

9.5 LED - Entrepreneurial Development Centre Grant

Balance unspent at beginning of year	1 442 477	5 381 897
Current year receipts	-	-
Conditions met - transferred to revenue	-1 442 477	-3 939 420
Conditions still to be met - transferred to liabilities (see note 4)	-	1 442 477

The conditions of the grant have been met.

9.6 MSP - Municipal Support Programme Grant

Balance unspent at beginning of year	1 364 886	732 428
Current year receipts	750 000	1 000 000
Conditions met - transferred to revenue	-1 850 190	-367 542
Conditions still to be met - transferred to liabilities (see note 4)	264 696	1 364 886

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. The unspent portion of the grant will be spent during the next financial year.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
9.7 LED - Local Economic Development Thuthuka Poultry Grant		
Balance unspent at beginning of year	22 429	53 364
Current year receipts	-	-
Conditions met - transferred to revenue	-22 415	-30 935
Conditions still to be met - transferred to liabilities (see note 4)	14	22 429

The conditions of the grant have been met. The project has been completed, with an unspent portion indicative of a saving on the project.

9.8 BSRP - Building for Sports & Recreation Programme Grant

Balance unspent at beginning of year	451 554	451 554
Current year receipts	-	-
Conditions met - transferred to revenue	-9 042	-
Conditions still to be met - transferred to liabilities (see note 4)	442 512	451 554

The conditions of the grant have been met to the extent that it has been expensed. Although phases 1 – 3 of the project have been completed, additional financing will be needed to complete phase 4 as the remaining amount is insufficient due to the escalation of costs. Dependant on financing secured, the unspent portion of the grant will be spent during either the next or subsequent financial years.

9.9 MSIG - Municipal Systems Improvement Grant

Balance unspent at beginning of year	1 946 738	1 568 643
Current year receipts	735 000	1 000 000
Conditions met - transferred to revenue	-1 809 430	-621 905
Conditions still to be met - transferred to liabilities (see note 4)	872 308	1 946 738

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. Counter funding of Integrated Development Planning and related projects by the Gauteng Provincial Government has as a result that the unspent portion of the grant will only be spent during the next financial year.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
9.10 FMG - Financial Management Grant		
Balance unspent at beginning of year	397 326	425 840
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	-533 119	-528 514
Conditions still to be met - transferred to liabilities (see note 4)	364 207	397 326

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. Due to the late appointment of finance interns during prior financial years, the unspent portion of the grant will only be spent during the next financial year.

9.11 Gauteng Capacity Building Grant

Balance unspent at beginning of year	-	140 997
Current year receipts	-	-
Conditions met - transferred to revenue	-	-140 997
Conditions still to be met	-	-

The conditions of the grant have been met.

9.12 Road S249 - Construction of Road S249 Grant

Balance unspent at beginning of year	1 985	518 691
Current year receipts	-	2 374 078
Conditions met - transferred to revenue	-	-2 890 784
Conditions still to be met - transferred to liabilities (see note 4)	1 985	1 985

The conditions of the grant have been met. There was no delay or withholding of the grant. The project has been completed, with an unspent portion indicative of a saving on the project.

9.13 IDP NSDP - National Spatial Development Perspective Grant

Balance unspent at beginning of year	596 865	-
Current year receipts	-	600 000
Conditions met - transferred to revenue	-543 780	-3 135
Conditions still to be met - transferred to liabilities (see note 4)	53 085	596 865

The conditions of the grant have been met. The project has been completed, with an unspent portion indicative of a saving on the project.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009 R	2008 R
9.14 LGTF - Local Government Transition Fund Grant		
Balance unspent at beginning of year	14 982	14 982
Current year receipts	-	-
Conditions met - transferred to revenue	-14 982	-
Conditions still to be met - transferred to liabilities (see note 4)	-	14 982

The conditions of the grant have been.

9.15 ITPR - Integrated Transport Plan Railway Study Grant

Balance unspent at beginning of year	87 149	87 149
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 4)	87 149	87 149

The conditions of the grant have been met to the extent that it has been expensed. The project has been completed, however the outcome remains inconclusive. The unspent portion of the grant will be augmented during the next financial year to further improve Integrated Transport Planning.

9.16 WSP - Water & Sanitation Master Plan Capacity Building Grant

Balance unspent at beginning of year	986 199	1 258 554
Current year receipts	-	-
Conditions met - transferred to revenue	-147 000	-272 355
Conditions still to be met - transferred to liabilities (see note 4)	839 199	986 199

The conditions of the grant have been met to the extent that it has been expensed. The unspent portion of the grant has been committed during the next financial year.

9.17 GT - Finance Intern Support Grant

Balance unspent at beginning of year	-	-
Current year receipts	141 000	-
Conditions met - transferred to revenue	-87 865	-
Conditions still to be met - transferred to liabilities (see note 4)	53 135	-

The conditions of the grant have been met to the extent that it has been expensed. There was no delay or withholding of the grant. Due to the late appointment of the finance intern, the unspent portion of the grant will only be spent during the next financial year.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
9.18 SACR - Confederation Cup Viewing Grant		
Balance unspent at beginning of year	-	-
Accruals for the year	580 000	-
Conditions met - transferred to revenue	-580 000	-
Conditions still to be met	-	-

The conditions of the grant have been met. The donor committed funding during the current financial year, however receipt of the grant only took place during the next financial year. The delay was due to the donor's administrative incapability.

9.19 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act 2009, no significant changes in the level of government grant funding are expected over the forthcoming three financial years.

10. OTHER INCOME

Prescription of leave credits	11 190	-
SAICA Contributions for learnerships	379 500	-
Insurance claims received	674 964	-
Retention money recognised as own income	-	205 301
Miscellaneous revenue	103 630	103 204
	1 169 285	308 505

11. EMPLOYEE RELATED COSTS

Salaries and wages	8 263 461	6 378 656
Contributions for bargaining council	2 287	1 648
Cellphone allowance	280 350	223 480
Housing subsidy	192 140	153 973
13th Cheques	601 205	449 066
Contributions for medical aid	604 345	472 287
Overtime payments	170 550	288 462
Contributions for pension and retirement funds	1 704 540	1 259 740
Performance bonus	-	57 068
Skills development levy	118 238	90 654
Travel allowance	2 228 932	1 756 178
Contributions for UIF	75 486	52 588
Provision for annual leave	827 466	735 211
Contributions for compensation commissioner	-	68 006
Total Employee Related Costs	15 069 000	11 987 017

There were no advances to employees.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
<i>Remuneration of the Municipal Manager: appointed 1 August 2004 - resigned 30 November 2007 (2008: 5 months)</i>		
Salary	-	161 239
13th Cheque	-	31 650
Leave encashed	-	76 331
Travel allowance	-	54 750
Housing allowance	-	31 669
Pension contribution	-	23 123
Performance bonus	-	134 389
Total	-	513 151

Remuneration of the Municipal Manager: appointed 1 February 2008 (2008: 5 months)

Salary	492 208	182 500
13th Cheque	38 507	-
Travel allowance	130 636	51 945
Medical aid contribution	22 349	6 941
Pension contribution	71 120	27 375
Total	754 820	268 761

Remuneration of the Chief Financial Officer: appointed 2 January 2002

Salary	366 423	325 889
13th Cheque	-	27 000
Leave encashed	30 406	22 827
Acting allowance	27 889	22 909
Travel allowance	127 200	101 700
Housing allowance	62 667	59 188
Pension contribution	77 161	70 400
Performance bonus	-	102 898
Total	691 746	732 811

12. REMUNERATION OF COUNCILLORS

Executive Mayor	476 238	428 786
Speaker	380 988	343 028
Councillors	547 971	506 337
Mayoral Committee's allowances	824 110	742 248
Councillors' pension contribution	143 879	130 878
Total Councillors' Remuneration	2 373 186	2 151 277

In-kind Benefits

The Executive Mayor, Speaker and three Members of the Mayoral Committee are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Mayor has use of a Council owned vehicle for official duties. The Mayor has a full-time driver/bodyguard.



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009	2008
	R	R
13. GRANTS AND SUBSIDIES PAID		
Grant to Nokeng tsa Taemane Local Municipality (Roads Infrastructure)	-	2 890 784
Grant to Nokeng tsa Taemane Local Municipality (Sport Infrastructure)	10 308	-
Grant to Nokeng tsa Taemane Local Municipality (Regional Cemetery Infrastructure)	51 822	-
Total Grants and Subsidies	62 130	2 890 784

The grants paid are in the form of special infrastructure projects. It includes the transfer of cash grants.

14. GENERAL EXPENSES

Included in general expenses is the following:-

Advertising	101 999	103 928
Audit fees	775 645	373 729
Cellphones and telephone costs	813 414	586 676
Computer services and consultancy fees	891 170	805 562
Entertainment	187 728	304 621
Fuel, oil and other vehicle operating costs	248 302	247 471
Insurance	197 248	198 835
Legal fees	61 957	241 257
Printing and stationary	317 640	251 454
Public relations	157 456	227 850
Rental - offices and buildings	480 000	480 000
Subscription SALGA	230 861	-
Training of councillors and staff	631 790	585 756
Travel and subsistence	792 985	1 017 104
Institutional capacity building and improvement of municipal systems	2 251 994	916 314
Security services	248 577	224 042
Public participation	244 494	159 839
Communication strategy	-	168 950
National spatial development perspective	477 000	-
Other	871 255	473 732
	9 981 515	7 367 120



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 R	2008 R
15. CASH GENERATED BY OPERATIONS		
Deficit for the year	-2 930 176	-153 337
Adjustment for:-		
Depreciation	995 566	954 432
Gains on disposal of property, plant and equipment	-76 316	-
Loss on disposal of property, plant and equipment	172 593	116 130
Interest received	-2 927 993	-3 552 992
Interest paid	918	-
Operating surplus before working capital changes:	-4 765 408	-2 635 767
Decrease in levy debtors	-	214 038
Increase in other debtors	-523 565	-151 096
Decrease in provisions	-	-265 889
Increase in creditors	2 073 884	259 254
Decrease in unspent government grants	-8 549 185	-3 495 278
Cash utilised in operations	-11 764 274	-6 074 738

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	20 457 018	30 128 578
Total cash and cash equivalents	20 457 018	30 128 578

17. CORRECTION OF PRIOR PERIOD ERROR

17.1 Incorrect allocation of PPE

Shelving was incorrectly allocated as repairs and maintenance

Statement of Financial Position

PPE - Office Furniture

PPE - Accumulated Depreciation Office Furniture

48 857

54 000

-5 143

Statement of Financial Performance

Repairs and Maintenance Buildings

Depreciation

-48 857

-54 000

5 143

17.2 Provision for performance bonus

Performance bonus provided in the absence of a signed performance agreement

Statement of Financial Position

Provision

68 152

68 152

Statement of Financial Performance

Performance bonus

-68 152

-68 152



METSWEDING DISTRICT MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS 2008/09****NOTES TO THE ANNUAL FINANCIAL STATEMENTS****for the year ended 30 June 2009**

	2009 R	2008 R
18. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
18.1 Unauthorised expenditure		
None		
18.2 Fruitless and wasteful expenditure		
None		
18.3 Irregular expenditure		
None		
19. ADDITIONAL DISCLOSURES IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT		
19.1 Contributions to organised local government		
Opening balance	-	-
Council subscriptions	230 861	-
Amount paid - current year	-97 905	-
Amount paid - previous years	-132 956	-
Balance unpaid (included in creditors)	-	-
19.2 Audit fees		
Opening balance	-	-
Current year audit fee	775 645	373 729
Amount paid - current year	-775 645	-373 729
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
19.3 VAT		
The net of VAT inputs and outputs receivables are shown in note 7.	503 030	568 624
All VAT returns have been submitted by the due date throughout the year.		
19.4 PAYE, UIF & SDL		
Opening balance	-	-
Current year payroll deductions	2 557 241	2 391 615
Amount paid - current year	-2 557 241	-2 391 615
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2009

	2009 R	2008 R
19.5 Pension and Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and Council Contributions	3 801 169	1 915 123
Amount paid - current year	-3 801 169	-1 915 123
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

19.6 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

None

20. RETIREMENT BENEFIT INFORMATION

Contributions by Council in respect of Councillor and employees retirement funding have been expended in the year. All councillors and employees belong to 5 defined contribution retirement funds administered individually, under the statutory protection of the Registrar of Pension Funds. These funds are the Municipal Councillors Pension Fund, the Municipal Employees Gratuity Fund, the Municipal Employees Provident Fund, the Local Government Pension Fund and the National Fund for Municipal Workers.

21. CONTINGENT LIABILITY

None

22. PRIVATE PUBLIC PARTNERSHIPS

None

23. EVENTS AFTER THE REPORTING DATE

None

24. COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures B(1) and B(2)

25. AWARDS TO CLOSE FAMILY MEMBERS IN TERMS OF SECTION 45 OF THE SUPPLY CHAIN MANAGEMENT POLICY

None

26. RELATED PARTY TRANSACTIONS

None



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009
2009
R
2008
R
27. RISK EXPOSURES

The municipality is at risk in the following areas:

(i) Credit Risk, which is defined as the risk that one party to a financial instrument will fail to honour its obligation, thus causing the other party to incur a financial loss.

(ii) Interest Rate Risk, which is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, other debtors, short-term investment deposits and bank and cash balances. The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing.

Long-term Receivables and Debtors are individually evaluated annually at balance sheet date for impairment or discounting.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Debtors	1 193 001	669 435
Bank and Cash Balances	20 457 018	30 128 578
Maximum Credit and Interest Risk Exposure	21 650 019	30 798 013

28. MUNICIPAL SUPPLY CHAIN REGULATIONS
AUTHORISED DEVIATIONS FROM, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

The municipality procured goods and services in terms of Section 36(1)(a)(v) of the Local Government: Municipal Finance Management Act (56 of 2003): Municipal Supply Chain Regulations where the official procurement processes were dispensed with in an exceptional case where it was impractical to follow the official procurement processes.

5 630 946	1 736 658
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The municipality procured goods and services in terms of Section 36(1)(a)(i) of the Local Government: Municipal Finance Management Act (56 of 2003): Municipal Supply Chain Regulations where the official procurement processes were dispensed with in an emergency.

607 667	-
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29. CONTINGENT ASSETS

Insurance claims awaiting feedback from underwriter, total value of claims

600 491	-
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ANNUAL FINANCIAL STATEMENTS 2008/09

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

for the year ended 30 June 2009

	COST/REVALUATION				ACCUMULATED DEPRECIATION			
	Opening balance	Additions	Disposals	Closing balance	Opening balance	Current year	Disposals	Closing balance
Land and buildings	999 105	2 650 895	-	3 650 000	-	-	-	-
	999 105	2 650 895	-	3 650 000	-	-	-	-
Other assets								
Furniture and office equipment	1 867 015	486 326	-511 672	1 841 669	964 347	334 811	-509 333	789 825
Computer equipment	1 619 131	354 220	-607 293	1 366 058	553 163	525 195	-437 038	641 320
Vehicles	1 559 230	-	-485 621	1 073 609	953 388	125 183	-485 621	592 950
	5 045 376	840 546	-1 604 586	4 281 336	2 470 898	985 189	-1 431 992	2 024 095
Total	6 044 481	3 491 441	-1 604 586	7 931 336	2 470 898	985 189	-1 431 992	2 024 095

	CARRYING VALUE	
	Opening balance	Closing balance
Land and buildings		
Land and buildings	999 105	3 650 000
	999 105	3 650 000
Other assets		
Furniture and office equipment	902 668	1 051 844
Computer equipment	1 065 968	724 738
Vehicles	605 842	480 659
	2 574 478	2 257 241
Total	3 573 583	5 907 241



ANNUAL FINANCIAL STATEMENTS 2008/09

BUDGET COMPARISON – REVENUE AND EXPENDITURE

for the year ended 30 June 2009

	2009 R Actual	2009 R Budget	2009 R Variance	2009 % Variance	Explanation of significant variances >10% of budget
REVENUE					
Interest earned - external investments	2 927 993	2 377 000	550 993	23	In excess of budget due to higher than anticipated cash on hand.
Government grants and subsidies	32 500 373	38 558 722	-6 058 349	-16	Below budget due to approved roll-overs, as well as less than anticipated receipt of provincial grants as a result of the global economic recession.
Gains on disposal of PPE	76 316	1 000	75 316	7532	Disposal of vehicles at a higher than anticipated gain.
Other income	1 169 285	358 500	810 785	226	In excess of budget due to the settlement of an insurance claim.
Total Revenue	36 673 967	41 295 222	-4 621 255	-11	
EXPENDITURE					
Employee related costs	15 069 000	17 355 350	-2 286 350	-13	Below budget due to unfilled vacancies.
Remuneration of Councillors	2 373 186	2 380 496	-7 310	-	
Finance costs	918	270 000	-269 082	-100	Below budget due to not taking up of external loans as a result of the global economic recession.
Depreciation	987 132	930 602	56 530	6	
Amortisation	8 434	-	8 434	100	
Repairs and maintenance	898 029	389 500	508 529	131	In excess of budget due to emergency repairs, covered by insurance.
Regional services - Operational	10 051 206	12 783 774	-2 732 568	-21	Below budget due to approved rollovers.
Contributions	-	1 200	-1 200	-100	
Grants and subsidies paid	62 130	-	62 130	100	
General expenses - other	9 981 515	9 354 513	627 002	7	
Loss on disposal of PPE	172 593	1 000	171 593	17 159	In excess of budget due to stolen goods as a result of a recent spate of burglaries at our offices.
Total Expenditure	39 604 143	43 466 435	-3 862 292	-9	
NET SURPLUS/(DEFICIT) FOR THE YEAR	-2 930 176	-2 171 213	-758 963	35	



ANNUAL FINANCIAL STATEMENTS 2008/09

BUDGET COMPARISON - CAPITAL

for the year ended 30 June 2009

	2009 R Actual	2009 R Budget	2009 R Variance	2009 % Variance	Explanation of significant variances >10% of budget
Land and Buildings					
Land and buildings	2 650 895	6 000 000	-3 349 105	-56	Due to the global economic recession, no loans were taken up. "Actual" refers to the revaluation of all land and buildings.
	2 650 895	6 000 000	-3 349 105	-56	
Other Assets					
Furniture and office equipment	486 326	330 000	156 326	47	Acquisition in excess of budget due to a change in business practices, whereby the practise of outsourcing print work was terminated. This resulted in the acquisition of additional equipment.
Computer equipment	354 220	110 000	244 220	222	Acquisition in excess of budget due to replacement of stolen goods as a result of a recent spate of burglaries at our offices.
	840 546	440 000	400 546	91	
TOTAL	3 491 441	6 440 000	-2 948 559	-46	



ANNUAL FINANCIAL STATEMENTS 2008/09

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SEC 123, MFMA
for the year ended 30 June 2009

Grants and Subsidies received: 2008/09								
Name of Grants	Name of organ of state or municipal entity	Total Receipts for the Year	Total Expenditure for the Year	Delay \ withheld	Gazette amount Municipal year	Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
Equitable Share	NT	21 172 723	21 172 723	-	21 172 000	N/a	N/a	N/a
Financial Management	NT	500 000	533 119	-	500 000	N/a	Yes	N/a
HIV and AIDS	Prov	-	3 171 383	-	-	N/a	Yes	N/a
LED	Prov	-	1 043 502	-	-	N/a	Yes	N/a
LED – EDC	Prov	-	1 442 477	-	-	N/a	Yes	N/a
MSP	Prov	750 000	1 850 190	-	-	N/a	Yes	N/a
LED – Thuthuka	Prov	-	22 415	-	-	N/a	Yes	N/a
BSRP	Prov	-	9 042	-	-	N/a	Yes	N/a
MSIG	DPLG	735 000	1 809 430	-	735 000	N/a	Yes	N/a
IDP NSDP	DPLG	-	543 780	-	-	N/a	Yes	N/a
WSP	Prov	-	147 000	-	-	N/a	Yes	N/a
LGTF	NT	-	14 982	-	-	N/a	Yes	N/a
Finance Intern	GT	141 000	87 865	-	-	N/a	Yes	N/a
SACR - Confederation Cup	Prov	-	580 000	580 000	-	Delay: Admin	Yes	N/a
LG SETA	SETA	72 465	72 465	-	-	N/a	Yes	N/a
		23 371 188	32 500 373	-	19 850 240			



REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Metsweding District Municipality which comprise the statement of financial position as at 30 June 2009, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as determined by the National Treasury as set out in accounting policy note xx and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit



REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by Metsweding District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of Metsweding District Municipality as at 30 June 2009 and its financial performance and its cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 to the financial statements and in the manner required by the MFMA.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

10. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.



REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009**Governance framework**

11. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Key governance responsibilities

12. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		✓
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	N/A	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadline (section 126 of the MFMA).	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.		✓
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The municipality had an audit committee in operation throughout the	✓	



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

No.	Matter	Y	N
	financial year.		
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	✓	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 		✓
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	✓	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 		✓
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 95(c)(i) of the MFMA.	✓	
12.	Powers and duties assigned are in place, as set out in section 106 of the MFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	MPAC resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to	✓	



METSWEDING DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS 2008/09

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

No.	Matter	Y	N
	ensure the accuracy and completeness of reported performance information.		
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by Metsweding District Municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 87 of the MFMA).	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

13. I have reviewed the performance information as set out on pages xx to xx.

The accounting officer's responsibility for the performance information

14. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government Municipal Systems Act, 200 (Act 32 of 2000) (MSA).

The Auditor-General's responsibility

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.



REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF METSWEDING DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

18. The assistance rendered by the staff of Metsweding District Municipality during the audit is sincerely appreciated.

Auditor-General

Johannesburg

30 November 2009



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence



**PARTICULARS OF CORRECTIVE ACTIONS TAKEN IN RESPONSE TO ISSUES
RAISED IN THE REPORT OF THE AUDITOR-GENERAL**

1. Par 11 - Material underspending of conditional grants

1.1 Reasons for underspending

The Auditor-General refers to specific grants which will be discussed as follows:

HIV/AIDS Grant – The majority of the unspent funds were supposed to be transferred to the Local B Municipalities to fund their respective programmes. After the initial transfers had been made, the local municipalities failed to report satisfactorily on the utilisation thereof. Metsweding have since decided to implement the projects, and have received the necessary rollover approval from the Department of Local Government. Spending has sufficiently increased during the 2008/09 financial year.

LED Grant – The Department of Economic Development initially earmarked this grant for the establishment of an industrial park in Roodeplaat. However, the project was stopped by GDACE as it was to be situated in a green belt. Thereafter, the project was changed to “capacity building”. The term “Capacity Building” is widely interpreted to provide capacity at all levels of the local economy to implement the Economic Development Strategy. This may include direct assistance to SMME’s and Cooperatives in the form of training, mentorship and supplies. For the year under review R151,200-00 was spent. The majority of the funds have been spent to date.

LED EDC Grant – This grant was utilised towards the establishment and operations of the Entrepreneurial Development Centre, and was not necessarily earmarked to be spent over one financial year. The grant has been spent in total during the 2008/09 financial year.

Municipal Systems Improvement Grant – This grant was initially earmarked for the compilation of the IDP. However, the Department of Local Government then came forward to fund the IDP on our behalf. The funds were then redirected to other sector plans, for which tenders have been adjudicated during the 2008/09 financial year.

Water and Sanitation Master Plan Capacity Building Grant – The Water and Sanitation Master Plan has been completed with a resultant saving. The Department of Local Government gave their blessing to utilise the saving towards similar projects. The funds were redirected towards the compilation of the ITP. However, the Department of Local Government then decided to compile the ITP on behalf of the district. The district has now committed the funds towards the acquisition of a GIS for the district.



**PARTICULARS OF CORRECTIVE ACTIONS TAKEN IN RESPONSE TO ISSUES
RAISED IN THE REPORT OF THE AUDITOR-GENERAL**

Municipal Finance Management Grant – The grant is mainly utilised for the funding of interns' salaries. Due to the high turnover of interns, there are periods where the municipality does not employ any interns. The municipality recently appointed three interns.

1.2 Corrective Actions

- (a) Monthly expenditure reports are submitted to the Municipal Manager to keep track of spending.
- (b) Quarterly expenditure reports are submitted to Council and in future also to MPAC.
- (c) Quarterly performance reports are compiled and submitted to the Municipal Manager.
- (d) Spending of conditional grants has greatly improved during the 2008/09 financial year.

2. Par 12 - Title deed not transferred

2.1 Reasons

The title deed is still registered in the name of the Eastern Gauteng Services Council, of which we are a successor in title. The deeds office did not transfer the title deed in terms of the distribution of assets of the EGSC. Metsweding then instructed our attorneys at the time, Messrs Zwane and Tsambo Attorneys to investigate the matter, which they did and reported their findings to Council. For some inexplicable reason, they were never instructed to finalise the matter.

2.2 Corrective Actions

Another firm of attorneys has been appointed recently to finalise the transfer of the title deed. The matter has been submitted to the Deeds Office, and we are awaiting their final approval.

3. Deviation from municipal supply chain management regulations

3.1 Reasons for not reporting the authorised deviation

The Auditor-General reported as follows on the matter:

"13. As disclosed in note 29 to the financial statements, the municipality deviated from the procurement process during the acquisition of information



**PARTICULARS OF CORRECTIVE ACTIONS TAKEN IN RESPONSE TO ISSUES
RAISED IN THE REPORT OF THE AUDITOR-GENERAL**

technology related to goods and services to the value of R1,736,658. The deviation was not reported to council as required by regulation 36(2) of the municipal supply chain management regulations.”

Section 36 of the Municipal Supply Chain Management Regulations stipulates as follows:

“Deviation from, and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may allow the accounting officer-

- (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or
 - (v) any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subregulation 1(a) and (b) and report them to the next meeting of the Council, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.”

From the above regulation it is clear that the accounting officer is authorised to deviate from, and to ratify minor breaches of, procurement processes.

In this specific instance, the service provider had previously been contracted by the municipality to install the IT networks, as well as provide monthly maintenance services. When it became clear that work required exceeded the original contract, in part due to the destruction of the networks by the fire during April 2008, it was deemed impractical to employ another service provider, due to the required knowledge of the local network configuration. Secondly, it was deemed as an emergency to repair the network for the sake of business continuity, and the service provider had already been on site due to existing contractual commitments. These deviations were authorised in terms of regulation 36(1)(a)(i) and (v).



**PARTICULARS OF CORRECTIVE ACTIONS TAKEN IN RESPONSE TO ISSUES
RAISED IN THE REPORT OF THE AUDITOR-GENERAL**

From the report of the Auditor-General it is clear that the deviation itself in terms of regulation 36(1) is not questioned. What is questioned is partial non-compliance with regulation 36(2) with regard to reporting. Although the matter was reported to Council in the Annual Financial Statements, it was not reported separately to Council. The reason for not reporting the authorised deviation to Council was an administrative oversight due to the staggered implementation of the supply chain management policy over a number of financial years.

3.2 Corrective Actions

The deviation has been disclosed in the notes to the Annual Financial Statements which has been reported to Council. The submission of monthly SCM reports to Council has been introduced recently to avoid a repetition of the past.

4. Matters of governance

4.1 Internal Audit and Audit Committee

The internal auditor was only appointed late (November) during the financial year, after the resignation of his predecessor. It was practically impossible for the person to fully execute the internal audit function in such a short period.

The audit committee had been dissolved due to poor performance. The appointment of the new audit committee was done thoroughly, but unfortunately took a lot of time. It was thus practically impossible for the newly established audit committee to have been fully functional during the course of the financial year.

4.2 Corrective Measures

The Audit Committee sat for its first meeting on the 15th May 2008, and has held six meetings to date, of which four were held during the year under review. Both the internal audit and the audit committee have been fully functional during the course of the 2008/09 financial year.



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1. INTRODUCTION

Strategic Planning is central to the long term sustainable management of the Metsweding District Municipality. The Municipality's overarching strategic plan, the Integrated Development Plan, 2006 – 2010, was approved by Council in May 2006, and serves as the baseline for the respective Annual Plans.

.....
N PILLAY
MUNICIPAL MANAGER (signed)



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2. LEGAL REFERENCE

This report is compiled in order to comply with the following legislation:

- Local Government: Finance Management Act, Act 56 of 2003, Section 121
- Local Government: Municipal Systems Act, Act no 32 of 2000, Chapter 6
- Local Government Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 (Regulation no 805 of 2006)
- Local Government: Municipal Planning and Performance Management Regulations, 2001 (Regulation no 796 of 2001)

3. PURPOSE OF THE DOCUMENT

The purpose of the document is to report on the actual implementation of the Strategic Goals of the Municipalities as defined in the various departmental plans. (SDBIP's).The nature of the report will thus be on the outcomes and the impact of the various Departments of the Municipality.

This Annual Performance Report is compiled for the financial year 2007/2008. The purpose of this report is:

- To provide a record of the activities of the municipality during the financial year.
- To provide a report on actual performance against planned of the municipality; and
- To promote accountability to the local community for the decisions made throughout the year by the municipality.

Individual Performance Plans for the 2008/09 Financial Year is envisaged and this will ensure more detailed Departmental and Individual Reports.



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FINANCE DEPARTMENT: PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	HR Management	Capacitated staff and councillors on relevant statutes (roles & responsibilities)	Identify relevant statutes and lack of capacity applicable in our area of operation	Relevant assessments completed by 30 Sept	Copies of Payment certificates, Appointment letters	Skills Audit	N/A
			Create access to relevant training	Training booked for core areas throughout the year	Attendance Register	Orders placed; letters of acceptance	N/A
			Provide training to staff and councillors	Staff and Councillors trained by 30 Jun	Attendance Register	Certificates; Attendance Registers	N/A
		To eliminate, minimize and mitigate financial risks	Develop a comprehensive Asset Management Policy	Asset Management Policy developed by 30 Jun	Approved Council Policy	Asset Management Policy	N/A
			Implement Risk Management	Risk management implemented by 30 Jun		Asset Management Policy	N/A
			+95% of all assets captured on the Asset Register	>95% of assets captured on the Asset Register by 30 Jun	Asset Register	Asset Register	N/A
			+95% of all known risks insured	>95% of all known risks insured by 30 Jun	Insurance Portfolio	Insurance Portfolio	N/A
Financial Perspective	Budget	To ensure the compilation and approval of a Multi-Year Budget	Develop and maintain systems that enable the Executive Mayor to compile the Budget	Compile Key Budget Deadlines by 31 Aug and Budget Templates by 28 Feb	Report to Council	Council Resolution	N/A
			Table Budget to Council	Table Budget to Council by 31 Mar	Report to Council	Council Resolution	N/A
			Table Final Budget to Council for approval	Table Final Budget to Council by 31 May	Report to Council	Council Resolution	N/A
			Council approve Final Budget	Council approve Final Budget by 30 June	Report to Council	Council Resolution	N/A
			Executive Mayor approve SDBIP	Exec Mayor approve SDBIP by 30 Jun	Report to Mayoral Committee	Mayoral Committee Resolution	N/A
			Budget Information published in terms of MFMA	Budget INFO published by 15 Jul	Budget on Website	Website Printout	N/A



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	Financial Management	To ensure prudent Financial Management implementation in MDM with reference to financial reporting	Compile budget statements as per the MFMA and submit to Municipal Manager and Treasury	12 Budget Statements compiled and submitted to Treasury by the 10 th working day of the following month	Budget Statements	Statement + E-mail report	N/A
			Compile quarterly reports and submit to Council and Treasury	4 Quarterly Reports compiled and submitted to Treasury by the 21 st working day of the following month	Quarterly Reports	Report + E-mail report	N/A
			Recommend to Council and management on financial decisions to be made	CFO submit comments on all agenda items	Reports to Council	Council Agenda	N/A
		To develop, review, train and implement Finance policies and procedures	Benchmark best practice with other municipalities / province / national treasury	Review current practices with guidelines issued by Treasury by 31 Mar	Research papers	Circulars	N/A
			Customize and re-align policies and procedures	Re-align policies and procedures by 31 May	Policy and procedure docs	Policy and procedure docs	N/A
		To manage revenue to ensure financial stability [if applicable]	Implement, communicate and conduct training	Implement, communicate and conduct training by 30 Jun	Instruction manuals	Instruction manuals + circulation letter	N/A
	Financial Viability	To identify, develop and ultimately implement alternative sources of revenue in consultation with Local, Provincial and National Government	Collect over 92% of budgeted municipal revenue	>92% of budgeted municipal revenue collected by 30 Jun	Income Statement	Pastel printout of income Statement	N/A
			Identify and investigate possible sources of municipal taxes in terms of the Municipal Fiscal Powers and Surcharges Bill	Formulate possible municipal tax by 30 Jun	Report to Council	Council Agenda	N/A
			Develop and submit proposals to the Minister in terms of the Bill	Submit proposal to Minister by 31 Dec 2008	Proposal Doc	Proposal Doc + Submission Doc	N/A
			Develop systems and procedures for the billing and collection of any new municipal taxes	Billing and collection systems and procedures developed by 30 Jun 2009	Procedure Manual	Procedure Manual	N/A
		To direct limited financial resources to maintain operations and execute IDP	Review the budget	Review budget by the 25 th day of the month following each quarter	Quarterly Reports	Quarterly Report + E-mail printout	N/A



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		To manage cash and bank, as well as investments effectively and efficiently	Adjust or redirect budget to address critical objectives	Recommend adjustments every quarter if necessary	Quarterly Reports	Quarterly Report + E-mail printout	N/A
			Bank reconciliations to pop-balance to the nearest Rand	Balanced Bank Reconciliations to be completed by the 25 th day of the following month	Bank Recon	Pastel printout	N/A
			Review Cash Management and Investment Policy	Cash Management and Investment Policy to be reviewed by 30 Jun	Report to Council	Council Resolution	N/A
			Prepare monthly cash flow forecasts	Prepare monthly cash flows by the 25 th day of the following month	Budget Statement	Budget Statement + E-mail printout	N/A
			Invest surplus funds	Surplus funds invested daily to ensure maximum interest earned, and minimum interest paid	Bank Statements	Bank Statements	N/A
	Good, clean corporate governance	To review and implement SCM policies and procedures	Review Supply Chain Management Policy	SCM policy reviewed by 31 May	Report to Council	Council Resolution	N/A
			Review Supply Chain Management Procedures	SCM procedures reviewed by 31 May	Procedure Manual	Procedure Manual	N/A
			Implement Supply Chain Management Policy	SCM implemented by 30 Jun	Procedure Manual	AG Report	N/A
			Implement Supply Chain Management Procedures	SCM implemented by 30 Jun	Procedure Manual	AG Report	N/A
			Review Preferential Procurement Policy	PPP reviewed by 31 May	Report to Council	Council Resolution	N/A
	To promote procurement from BEE, SMME and local suppliers	BBBEE Advancement	Develop a supplier data base	Supplier data base developed by 30 Jun 2007	Supplier data base	Pastel printout	N/A
			Develop targets in line with National and Province	New targets developed by 30 Jun	Report to Council	Council Resolution	N/A
			Report annually on implementation	Report on implementation by 31 Aug 2008	SCM Implementation Report	Council Resolution	N/A
	To ensure the timeous and efficient payment	Good, clean corporate governance	Turnover of trade creditors less than 31 days	Turnover of creditors less than 31 days for 12 consecutive months	Creditor Age Analysis	Pastel printout	N/A



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	of all creditors						
	To ensure the timeous, efficient and correct payment of all salaries	Improved staff morale	Timeous payment of salaries	Salaries paid b the 26 th monthly	VIP Payroll	ABSA Cashfocus printout	N/A
			Reduce number of errors	Known errors reduced to 7 per month	Register of errors	Register of errors signed off by CFO	N/A
	To ensure transparent and accountable financial management	Good, clean corporate governance	Ensure the compilation of the annual financial statements according to the standards of GAMAP	Compile AFS and submit to AG by 31 Aug	AFS	AG Receipt	N/A
			Receipt of an unqualified financial audit report	Receive unqualified audit opinion by 30 Nov [Timeline dependant on AG]	AG Report	AG Report	N/A
	To foster good relations with local municipalities	Good, clean corporate governance, shared services and best practices	Establish a District CFO Forum	Establish a District CFO Forum by 31 Mar 2008	Agenda	Attendance Register	N/A
	To facilitate capital investment in income generating projects	Financial sustainability	Develop investment strategies	Develop an investment strategy by 30 Jun	Investment Strategy	Council Agenda	N/A
			Identify and submit proposals of income generation projects	Submit a proposal of an income generating project by 30 Jun	Project Proposal	Council Agenda	N/A



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INFRASTRUCTURE PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholder	Sustainable Infrastructure Services	To manage the development & implementation of all Infrastructure projects	Report with analysis of expenditure patterns of capital projects	Copies of Payment certificates, Appointment letters	Close-out reports	N/A
		Manage the provision of professional services to MDM utilizing expertise in Dept	Number of successfully completed projects	Copies of Payment certificates, Appointment letters	Close-out reports	N/A
		Development of a Road Master Plan	Completed Road Master Plan Report	Council approved Road Master Plan	Council Resolution	Funding was not obtained from DBSA
		Development of Electricity Master Plan	Completed Electricity Master Plan	Council approved Electricity Master Plan	Council Resolution	Funding was not obtained from DBSA
		Compilation of a Feasibility Study for a Cemetery	Completed Study with recommendations	Submission to the MM	Council Resolution	
		Review of Integrated Transport Planning (ITP)	Completed ITP Report	Council approved Report	Council Resolution	The GPTRW will assist the Municipality in the 2008/09 financial year with the Project
		Compilation of Busines Plan for the Upgrading of road in Kameelfontein	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Hammanskraal connecting to the Moloto road	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Tiegerpoort to Swievelpoort	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Compilation of Busines Plan for the Upgrading of road in Roodeplaat	Completed Busines Plan and submitted to the GPTRW	Busines Plan signed by the MM	Copy of submitted BP	N/A
		Construction of Waste Transfer Station	Mini Waste Transfer Station in Roodeplaat	Functional transfer station	Close out report	Funding was insufficient and has been reallocated.
		Construction of road S 249 in Cullinan	Completed all weathered road open to traffic	Hand over minutes	Close out report	N/A
	Good Corporate Governance	Gauteng Public Transport, Roads and Works IGR	Transport Infrastructure Technical Working	Approval of attendance by the Senior Manager or Municipal	Agenda and Minutes of meeting	N/A



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Team(TWT)	Manager		
			Transport Planning TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Transport Investment TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Governance TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Strategic Consultative Committee	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Public Transport TWT	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			DLTC (Urban Fund)	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Gauteng Intergovernmental Transport Forum (GITF)	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
		SALGA IGR	SALGA-Housing	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			SALGA-Technical Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			SALGA Energy	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			2010 Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Water & Sanitation Task Team	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A
			Municipal roads	Approval of attendance by the Senior Manager or Municipal Manager	Agenda and Minutes of meeting	N/A



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COMMUNITY SERVICES: PERFORMANCE REPORT 2007/08

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholders	Disaster risk management policy framework for the Metsweding district area	To have a disaster risk management policy framework for the district	Disaster management policy framework developed, approved and adopted by Council	Council approved Policy	The disaster management policy framework was developed and adopted by Council	None
	Disaster risk management centre	Conduct a scoping research on the establishment of the disaster management centre	Research conducted on the establishment of the disaster management centre	Scoping research document report	Scoping research completed on the requirements of the Disaster Management Centre	None
	Arrangement for stakeholder participation & engagement of technical advice in disaster risk management planning and operation	Establishment of disaster risk management advisory forum	To arrange meetings, workshops in each quarter with relevant stakeholder	Minutes of meetings	Two meetings held after the establishment of the forum	None
	Arrangement for stakeholder participation & engagement of technical advice in disaster risk management planning and operation	Development of terms of reference for the disaster risk management advisory forum	To have terms of reference for the advisory forum members	Terms of reference	Terms of reference developed and adopted by the forum members	None
		Provincial heads of disaster management centre and advisory forums	To benchmark with other municipalities in Gauteng and share best practices	Minutes of the meetings	Attended all provincial heads of the centre and advisory forums meeting	None
		Create and maintain database for stakeholders involved in disaster risk management	To have up to date contacts for stakeholders involved in disaster risk management within the district	Database	Database was created and is updated regularly	None
	Disaster risk management campaigns	International Strategy for Disaster Risk Reduction	Conduct awareness Campaign, arranging plenary meetings	Report and minutes	Plenary meetings for the campaign arranged and attended to culminating in to the campaign	None
		Fire awareness week 08 to 12 October 2007 them "Disaster Risk Management begins at School)	Three(3) schools and one(1) crèche to visit, arrange and attend plenary meetings	Minutes of the meetings and report	The targeted schools were visited and meetings were held to plan all the visits	None
		Arrive alive	Meetings with relevant stakeholders attended to plan the	Arrive alive report	Roadblocks manned and visible patrols at targeted	None



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			campaign and awareness campaign conducted		roads	
Customer Perspective	Response and recovery	Fires	To respond to all reported fire incidents	Statistics of fire incidents	Responded to all reported incidents of fires and provided emergency relief materials	None
		Evictions	To respond to all reported eviction incidents	Report on eviction	Responded to all reported incidents of evictions and provided emergency relief materials	None
		Floods	To respond to all reported floods incidents and assist the affected victims	Report on floods	Responded to all reported incidents of floods, relocated affected victims from the flood area and provided emergency relief materials	None
		Xenophobic attacks	To respond to all reported floods incidents and assist the affected victims	Report submitted to Council	Engaged the relevant stakeholders to assist with the provision of relief materials. Provided the victims with accommodation. Facilitated the reintegration of the affected victims back to the communities.	None
	Events and Imbizos	Annual King Silamba Celebration	To ensure a safe and incidents free event	Council Report	Planning meetings were arranged and attended to. The safety of All the VIP's and the participants to the event was taken care of at all times by law enforcement agencies at all times. There was no report incident	None



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Kungwini Cultural Festival	To ensure a safe and incidents free event	Minutes and report	The event was hosted without any reported incident	None
		Human Rights and Foster Care	To ensure a safe and incidents free event	Minutes and report	The event was hosted without any reported incident	None
	SALGA-Gauteng OR Tambo Inter municipal Games	To participated at the games and compete against other municipalities in Gauteng. To also realise teambuilding across municipalities through participation in sport and recreation	Prepare the athletes for the games and arrange logistics for participation at the games	Council approved report	Teams were established and the district participated in 15 different sporting codes	None
	Gauteng Carnival	Facilitate the establishment of the district troupes to participate at the Gauteng Carnival	Troupes established and participated at the Carnival	Photos and report	The district participated at the Carnival and the Ndebele troupe from Metsweding won prize money of R 10 000.00	None
	Metsweding Mayoral Sports Tournament	To host the Metsweding Mayoral sports tournament. Targeted sporting codes were soccer both sexes, netball, volleyball both sexes, basketball mixed and cricket	To encourage mass participation of Metsweding communities in sports. All the areas of Metsweding district participated at the tournament	Report	The tournament was hosted at the Ekangala Stadium and all the targeted sporting codes were played during the day	None
	Community Safety	Development of joint strategic plan with the Department of Community Safety	Workshops and meetings held to develop the joint strategic plan	Joint strategic plan and minutes	The joint strategic plan developed	None
		Conduct Women and Child safety audit	Improved Interventions aimed at supporting structures and services in relation to crime against women and children	Report on women and child safety audit	Workshop conducted, walkabout and interviews conducted at Zithobeni	None
		Men as Gender and Child Safety promoters	To raise awareness amongst vulnerable women and children using males as promoters	Report on men as gender and child safety promoters	A workshop was conducted at Cullinan police station	None



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	To conduct awareness Campaigns throughout the District	World AIDS Day	Door to Door Campaign Candle light Ceremonies	Attendance register Statistics forms List of volunteers Photo Reports	World AIDS Day celebration of the District Rethabiseng Candle Light ceremony Refilwe Candle light ceremony	None
		STI/CONDOM	Door to Door Campaign Awareness Day	Report Attendance register photos	Awareness days were conducted Volunteers did Door to Door Campaign	None
		TB	Awareness Day	Attendance register Report Statistics	TB Day commemorated in Steve Biko ville in May	None
	To conduct awareness Campaigns throughout the District	Child Protection	Competition	Entry forms DVD Programme Schools confirmation letters for participation	19 schools entered for the competition and all competed 12 Youth Out of School entered 3 competed	None
		Girls Camp for 100 Girls	100 girls participated in the camp	Attendance register Indemnity forms signed by parents Report Photos	74 girls participated	None
		To strengthen sectoral participation by capacitating and supporting sectoral initiatives	Prayer Day in partnership with De Beers and Zion Christian Church	Prayer Day	Photos	Prayer Day held on the 25 th November 2007
	To reduce the number of new infections within the special risk group	Candle Light Ceremony	Awareness campaign for inmate	Photos Report	Reached 605 inmate of Baviaanspoort and 88 men, mainly inmate went for HIV testing, of which 13 tested HIV positive and 75 tested HIV negative	None



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Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	To mainstream HIV and AIDS in the workplace and strengthening workplace programmes	Road Show	Road Show held	Photos	Road Show held in December in Partnership with KLM, SAPS,	None
		Education and training Workshops for employees	Trained employees		None	None
		Posters displayed in the workplace and availability of condoms	Poster displayed and condoms distributed	Condotainers destroyed	More than 4000 condoms distributed	None
		Strengthening Employees Wellness Programmes	Employees accessing the wellness programmes within the municipality	Photos	World AIDS Day Candle light Ceremony held in December	None
	Community Capacity Programmes	Indigent Burial	Indigent burial conducted	Indigent Statistics report Death Certificate Affidavit of applicants Burial order		None
		Funding Local Municipalities	Transferring funds to Kungwini Local Municipality and Nokeng Tsa Taemane		None	None



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LED PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Objective/ target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholder	Strengthen IGR Structures & Co-operate with Civic and NGO's	Create conducive environment for economic opportunities	Full Operation of The Business Place SMME training & Mentoring to assist Entrepreneurs in Bussines Skills	MEDC to facilitate economic growth			None
			Facilitate 10 Information Sessions	Information Sessions/workshops	Reports of Sessions/ Workshops	Attendance Register/ Photo's	None
			Developmet of Bussines Incubator in Cullinan 1	Conducive Bussines Environment	Increase in bussiness activities		None
			Bronkhorstspuit Bussines Incubator1	Capacity Building for SMME's & Training for 80 Co-operatives	Reports		None
				Training in Customer Care & Hospitality (30)	Training Assessment Report	Attendance Register/ Photo's	None
				Training in Italian Language	Report	Attendance Regsiter/ Photo's	None
				HIV/AIDS in workplace(20)	Training Workshops	Attendance registers/ photos	None
				Bussines Management Skills	Traning workshops	Attendance Register	None
			Establishment & Implementation of Regional Tourism Organisation	The Establishment of RTO Phase 1 – Inception, Assessment	Assessment Report		None
				Phase 2 – Training & Workshops	Traning workshops		None
				Phase 3 – Finalisation of RTO/ LTO structures	Establishment of Structure		None
				Phase 4 - To Establish a legal Entity for Tourism			None
				Support for the Operation of Regional Tourism Organisation	Ongoing support		None



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Balance Scorecard Perspective	KPA	Objective/ target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Development & Implemenataton of Tourism Master Plan	Tendering process	Tender		None
				Application for Funding at DBSA	Fund application	Fund application submitted	None
				Appointment of Service Provider	Service provider appointed		None
		Create conducive environment for tourism development	Support Komjejejeke Heritage Site	Development of Komjejejeke Heritage Sites	Completed		None
				Appointment of Service Provider by DEAT	Completed		None
				Facilitate stakeholder meetings to develop to make inputs in business plans	3 meetings held after appoitment of Service Provider	Attendance regsiter	None
				Submission of Business Plan	Service Provider submitting Busines Plan before end of Financial Year	Bussines plan submitted	None
				Implementation of Business Plan		N/A	None
			Support the Puisano Roving Jazz Festival	Puisano Jazz Festival	Hosted the Puisano Roving Jazz Festival in Tarverns to promote Tourism & Musicin	Hosted the Roving jazz Festival in 1 Taverns	None
			Facilitate & Support the Grading of Establishment	Tourism Awareness Workshop on Grading	Awareness Workshops	Attendance Register	None
				Assessment of Establishments to be Graded	Pre assessments for 5 establishments completed	Assesment for 3 establishments has been completed	None
			Design & Print Tourism Marketing Material	Printing of marketing material to be used for the Tourism Indaba & other areas	1 000 folders 5 000 brochures	Folders & Brochures designed & distributed	None
		Effective Development of Agricultural Sector	Support for Emerging Farmers Mohlathi Project Phirima Agariam	8 projects Identified & Supported	Identified Projects listed and supported	Reports	None



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Balance Scorecard Perspective	KPA	Objective/ target	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Legodi Xulu Legodi Phaphameng Nolufefe				
			Development of Agricultural HUB in Kungwini & Nokeng Launching of HUB Development of Plan Identification of Site for Signage Facilitation of Land Claims Development of Business Plan	A plan completed	Report on Agricultural HUB	Report	None
		Create a conducive industrial area	Develop an Industrial Development Strategy	Development Strategy	Approved Strategy	Council resolution	None
			Support for Industrial Development	Funds to be utilised to support Industrial/ Manufacturing Project	1 Project Supported	Supported projects	None
		Poverty Alleviation Projects	Poverty Alleviation Projects & Initiatives	Poverty Alleviation Intervention	Partnership with NDA & Mintek to implement the 2 Assessment Projects conducted by Mintek	2 projects to be supported at Sokhumi Jewellery & De Wagensdrift Broiler project	None
				To empower a Vulnerable Sector Group	Dept are in process of procure Brick making Machine for Emanzinzi Wonder Bricks Co-operatives	Progress reports	None
Financial Perspective	Good Governance & Public participation	Prudent Financial Management	Operational Budget Compiled, Implemented & Monitored	Maintain Assets of he MDM effectively & efficiently	Timeframes met continously	Adherence to timeframes	None
					Budget drafted & submitted	Key deadlines adhered too	None
					Maximum expenditure of allocated funds	Maximum expenditure of Allocation	None



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CORPORATE & LEGAL SERVICES PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
LEGAL SERVICES							
Internal Processes	Provide legal opinions and comments to council items	To ensure that council resolutions are legally correct and enforceable	All reports and items serving before council have legal opinions and comments	Legal compliance	Approved council resolutions	Ongoing process	None
	Legal advice	Provide sound legal advice to council	All matters that council engages in have been legally verified	Legal compliance	Reports and opinions available on request	Council Resolutions/ Reports	None
	Legal compliance	To ensure that all matters dealt with by council and its committees comply with the law	All matters dealt with should be legally compliant	Legal Compliance	Reports available for scrutiny	Reports	None
	Audit and verification of immovable properties	To ensure that all immovable properties owned by council are audited and verified	All properties have title deeds and such are filed of record	All properties filed & recorded	Title deeds Files available on request	Title deeds	None
	Good Governance	To ensure proper administration of council matters	All systems are in place to ensure proper governance	Completed standing rules have published in the government gazette	System of delegations, rules and orders of council, both approved and adopted by council until reviewed	Government gazette	None
	Contract management	to ensure that all contracts entered into by council and service providers are in compliance with the law	All contracts are properly managed	Proper Contract Management	Copies of contracts available on request	Records	None
	Legal administration	To have the industrial park including MEEC building transferred from Mpumalanga Province to Gauteng Province for administration by MDM	To have complete control of the industrial park	Industrial park controlled and Managed by MDM	Correspondence between MDM and Gauteng DED	N/A	Not yet completed due to lack of cooperation from Mpumalanga



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
							province
	Labour issues	To handle all labour issues arising within the institution in a more proactive way.	To control and prevent unnecessary litigation in these matters	Minimize litigation	Files available on request on issues handled.	Records	None
Internal Processes	Committee services administration	To develop and coordinate schedule of meetings of council and its committees Compile and distribute agendas Taking and recording of minutes Audit and tracking of council resolutions	To ensure that administration of committees is effective and efficient	Effective & efficient Council Meeting Administration	Annual meeting plan available on request	Council Meeting Schedule	None
	Records and registry Administration	To execute records and registry administration Document filing Receiving, recording and distribution of mail Develop, update and coordinate a document management and archives system Safekeeping of municipal records	To ensure effective and efficient records and registry administration	Effective & efficient records Management System	Document management system is in place	Quidity DMS	None
HUMAN RESOURCE MANAGEMENT							
Internal processes	Personnel Administration	Appointment of Personnel in line with the approved Organogram.	To achieve optimal utilization of Human Resources	To ensure effective & efficient functional Municipality	Appointed Personnel	Appointment Letters	Financial Considerations
		Induction of new appointees	All new appointees has received induction	To be held within the first four weeks	Attendance register Workshop program	Attendance registers	None



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				of employment			
		Opening up of personnel files (Permanent/ Temporary)	All employees must have personnel file	Personnel Files to be created and updated twice annually	All employees have Personnel files	Files	None
		Processing Terminations	All resigned employees' benefits to be processed within three months of termination of employment	To ensure adherence to proper procedures	Notification letter of payment by the pension fund schemes.	Closed Files	None
		Benefits Admin	All employees informed about new & changed benefits	Informed choices by employees	Benefits session attendance register	Attendance Register	None
	Employment Equity	Develop Employment Equity Policy Develop Employment Equity Plan	Draft Employment Equity Policy by Resolve. Draft Employment Equity Plan developed	Employment Equity Policy & Plan to be developed, approved & Implemented	Draft Employment Equity Plan	Policy	None
	Training and Development	ABET	57 Employees (District Wide)	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Project Management	2 Senior Management	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Conciliation & Arbitrations	2 Senior Management	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Assessors, Coaching & Mentoring	17 Employees (District Wide)	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Labour Court Proceedings	1 Professional	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Housing Policy Development & Management	1 Professional	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Employment Equity	3 Finance Personnel	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Supply Chain Management	4 Finance Personnel	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Finance Management	1 Professional	To capacitate Employees	Training Reports/ Certificate	Attendance Registers	None
		Executive Secretary	Secretarial training for secretaries	To capacitate Employees	2 employees registered with Damelin	Reistration Certificates	None
		Train Office Attendants in Basic Office Admin	1 Office attendant trained	To capacitate Employees	Training results report (Copies of Qualification)	Reports	None
		Records Archives	1x Records officer	To capacitate Employees	Training results Report (Copies of Qualifications)	Reports	None
		Disciplinary skills	2x Managers	To capacitate Employees	Qualifications	Reports	None
	Employee Assistant Program	Rollout the EAP program	Launch of the District wide EAP	Increased well being of Employees	Attendance register Minutes of the EAP Meetings	Reports	None
		Develop EAP Policy Develop an EAP Plan	Draft Developed EAP Policy EAP Plan	Employees operate in conducive circumstances	Approved Draft Policy & Plan	Council Minutes	Draft Policies to be approved by Council
INFORMATION COMMUNICATION & TECHNOLOGY							
Internal Processes	Maintenance, upgrades and repairs of IT equipments	Ensure full functioning of all IT equipments	To be attended within 48 hours after being reported	Fully functional operations with no interruptions	Helpdesk tickets	Closed tickets	None
	Software installation and licensing	To use of legal software	License and install within 24 hours after being received	Legal software	Software licenses register	Register of software	None
	Monitoring the use of IT resources	To ensure appropriate use of resources	Monthly reports on the usage of IT resources	Effective utilization of IT Resources	Reports	Ongoing supervision	Reports from service provider



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
	Effective functioning of servers, internet and website	Ensure full functioning of IT systems	Downtime to be less than 24 hours	Effective utilization of IT Resources	Reports		None
	Development of IT policies and plans	To control and prevent the misuse of IT resources	All policies to be developed and approved	IT policies and plans approved by council	Council Resolutions	Council resolution	None
	Back ups	Recovery of lost data	Backups to be done daily	Minimum lost of Data	Back up register		None
Customer Stakeholders	End user support for all staff and council	Assist and answer questions/problems on the use of IT resources	Attend to the question/problem within 2 hours of fault logging	Ongoing end user support	Helpdesk tickets		None
	Assists in presentations and meetings	Effectiveness of presentation and meetings	All staff to efficiently use IT resources in presentations and meetings	Ongoing improvement in quality of outputs	Attendance register IT equipment register		None
Learning & Innovation	Train users in the use of IT systems	Self sufficient staff who can use IT resources efficiently	To train staff once a year	Improved and self efficient staff	Training manuals Staff attendance register		Training facilities not established
	Advice on the use of software	To ensure that the intended software is being used for the right purpose	To purchase needed and appropriate software	Effective utilization of software	Request for software needs		None
AUXILIARY SERVICES							
Internal Processes	Coordinate OHS	To comply with the provision of applicable statutes and ensure health and safety working environment	Train staff on OHS on a quarterly basis	To capacitate Employees	Reports Training manuals		OHS not implemented
	Fleet Management	Ensure that vehicles are maintained and serviced	All cars are serviced after 15000 kms	Efficient & effective fleet	Service books Receipts	Service Books	None



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			Renew license disks annually				
	Care taking of offices and building	Ensure that offices and building are in a presentable working conditions	Maintenance plan be put in place	Vehicles & plant maintained as per plan	Reports		due to vandalism and fire the plan has not being put in place
	Security services	ensure that employees are in a safe premises	Develop a scope of work for security guards	Outsourced services	OB books Reports		None
	Coordinate MDM functions	Assist during municipal events and functions		Events to be incident free and well coordinated	Reports	Reports	None



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INTERNAL AUDIT PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Annual Target	Outcome	Evidence	Means of verification	Reason for deviation
Internal Business	Promote Good Governance	To develop Internal Audit Charter & Establish Audit Committee	Develop, Internal audit and audit committee charter.	Council resolution & Document	Signoff by the chairperson of audit committee	N/A
		Quarterly Audit of the performance information		Report send to Audit committee and MM	Signoff by the Chairperson of audit committee.	N/A
		Conduct risk assessment by 30 June 2008	Risk Assessment done	Internal audit annual operational plan.	Signoff by Chairperson of audit committee	N/A
		Facilitating of 4 audit communicate meetings per year	4 Audit Committee Meetings per Annum	Agenda's and minutes of the meetings	Attendance register	N/A
		Developing & implementing Risk based audit plan by 30 June 2008	Risk base Audit Plan developed & Implemented	Audit committee approval, meetings and agenda	Signoff by the Chairperson of audit committee	N/A
		Audits as per audit plan 30 June 2009	Audits as per Annual Audit Plan	Internal audits report to MM and Audit committee	Agenda & Minutes of Meeting	N/A
		Report to MM and audit committee by 30 June 2009	Report to MM & Audit Committee	Internal audits report to MM and Audit committee	Agenda & Minutes of Meeting	N/A
Learning & Innovation	Personnel development & Training	Achieve WSP targets	No of training sessions on Internal audit unit	Training Manual & Attendance Register	Attendance Register & Certificate	N/A



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PERFORMANCE MANAGEMENT PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	Organisational & Individual PMS	Ensure adherence to Performance Planning & Legislative Regulatory Requirements	Develop, Review and Update Organisational & Individual Performance Management System Framework for 2008/09	Reviewed & Updated Organisational & Individual PMS Framework	Council Resolution & Document	Revised PMS Framework	Submitted & to be adopted by Council 25/09/2008
			To develop Performance Agreement for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Agreements	Performance Agreements	Performance Agreements to be adopted by Council 25/09/2008
			To develop Performance Plans for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Plans	Signed Performance Plans	Performance Plans to be adopted by Council 25/09/2008
			To develop Personal Development Plans for Section 57 Managers, Snr Managers & Managers for 2007/08	To give effect o the Municipal Systems Act & Performance Regulations	Signed Performance Plans	Signed Personal Development Plans	PMS not cascaded to non section 57 Managers
	Promote Good Governance & Performance reporting	To implement early warning systems and detect under performance	Compilation & Submission of Quarterly Departmental Performance Report for 2006/07	Quarterly Dept Reports	Quarterly Performance Reports	Council Resolution & Document	SDBIP format Q 1,2 & 3
			Compilation of Annual Municipal Performance Report for 2006/07	Approved Annual Performance Report	Approved Annual performance report	Council Resolution & Document	N/A
			Compilation & Submission of Quarterly Departmental Performance Report for 2007/08	Quarterly Dept Reports	Approved Annual Performance Report	Council Resolution & Document	SDBIP format Q 1,2 & 3
			Compilation of Annual Municipal Performance Report for 2007/08	Approved Annual Performance Report	Annual Performance Report	Council Resolution & Document Sept '08	
			Submit Performance Appraisal Report of MM to Executive Mayor	Timeous submission of Performance Appraisal to	Performance Appraisal Report	Council Resolution & Document	December 2008



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			for 2007/08.	Executive Mayor			
Innovation; Learning & Growth			Submit Performance Appraisal Reports of Section 57 Employees to MM for 2007/08	Timeous submission of Performance Appraisal to MM	Performance Appraisal Report	Council Resolution & Document	December 2008
			Submit Performance Appraisal Report of Snr Managers to MM for 2007/08	Timeous submission of Performance Appraisal	Performance Appraisal Reports	Council Resolution & Document	PMS not cascaded to non section 57 Managers
	Improve Systems & procedures	Address knowledge/skills gaps identified during performance of duties	Develop and Implement an Electronic Performance Management System	Enhance the Measuring & Monitoring of Performance	Electronic PMS System Developed & Implemented	Electronic PMS System	No budget
	Personnel development & Training	Achieve WSP Targets	Train employees on training needs identified as per WSP	Capacitated Employees	WSDP Report	Signoff by Chief Legal Services	N/A
			Creating understanding & awareness	Increased awareness of Performance Management	Ongoing informal sessions	Reports	N/A
			Training sessions on Performance Management	Enhance the implementation of Performance Management	Training Manual & Attendance Register	Attendance register	PMS Framework to be adopted by Council 25/09/2008
			Percentage of newly recruited employees inducted (Training on the PMS Policy, Procedure & PMS Software)	Capacitated Employees	Attendance register	Certificate	N/A
			Identification and implementation of training interventions which may be necessary	Inclusion in Workplace Skills Plan	Proof of interventions as per quarterly staff performance assessment report	Reports	N/A



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OFFICE OF THE SPEAKER PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Internal Processes	Work of Council	Oversee and monitor the issuing of Council Notices and ensuring that Council Meetings are held accordingly	Timeous notification of Notices, etc	Adherence to the Standing Rules and Orders of Council	Council Notices	Council Agendas & Minutes	N/A
		Vetting of Council Items	Compilation of Council Agendas	Adherence to all relevant Legislation and Policies of Council	Final Council Items	Signed off Items by the Speaker	N/A
		Monitor Council Resolutions	100% Implementation of Council Resolutions	Implementation of Council Resolutions	Progress reports	Signed off Items by the Speaker	N/A
	Council Oversight Function	Ensure the achievement of the municipal goals and monitor the processes thereof	Implementation of the planned municipal programs and projects	MPAC Meetings as per Meeting Schedule	Agenda & Minutes of Meetings	Signoff by Chairperson of MPAC	N/A
		Ensure the adherence to the legislative prescripts of reporting		Minimize Complaints and Petitions	Complaints & Petitions	Reports	N/A
	Council Support Function	Administrative Support to Councillors	That All PR Councillors discharge of their functions without any hindrance throughout their term of Office	Excellent Performance by Councillors	Reports/ programs/ projects	Performance Reports	N/A
		Training of Councillors	To effectively coordinate least two training programmes	Well capacitated & informed Councillors	Program Reports	Attendance Registers/ Certificates	N/A
	Public Participation	Ensuring Community Involvement in all MDM Activities	At least 2 Community Meetings & continuous engagements	Enhanced relations between the Community & MDM	Community Meetings	Reports of Meetings, Engagements	N/A



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
		Capacitate & Educate the Community on Public participation & related Matters	At least 1 Workshop	Maximum & Effective participation of The Community	Reports of the Programs	Attendance registers	N/A
		Support & Educate Ward Committees & Ward Councillors	At Least 1 Capacity Building Workshop/ Session	Effective Public Participation & Functioning of the Ward Committee System	Reports of the Programs	Attendance registers	N/A
	IGR	Coordination of the Local B's (District) program	4 Quarterly Meetings	Synchronized & synergized District Plans	District Integrated Plans	Minutes of Speakers Forum	N/A



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INTEGRATED DEVELOPMENT PLANNING PERFORMANCE REPORT: 2007/08

Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
Customer & Stakeholders	Sustainable Infrastructure Services	Ensure Integrated development for economic growth	IDP Framework & Process Plan completed by Aug 2007	IDP Framework & Process Plan	Approved IDP Framework & Process Plan	Council resolution	N/A
			Completed IDP Status Quo Analysis	IDP Status Quo Analysis	Report on Status Quo	Council resolution	N/A
			Manage the Implementation the IDP Projects	IDP projects develop & implement	Implemented IDP projects	Completed Projects	N/A
			Establish , Manage & Coordinate IDP/PMS/Budget Representative & Steering Committee Meetings	IDP/PMS/Budget Representative & Steering Committee Meetings	No	Reports	N/A
			Annual Review of the IDP as per regulations	IDP that are relevant and updated	Annual Reviewed IDP	Council Resolution	N/A
	Cooperative Governance	Alignment of Planning with Province, Sector Departments & Local Municipalities	IDP aligned with NSDP,ASGISA, PGDS & GCR	Align the IDP with NSDP,ASGISA, PGDS & GCR	Approved IDP in line with National & Provincial Plans	Council Approved IDP	N/A
			Improved coordination with national & provincial sector departments	Improve coordination with national & provincial sector departments	IDP Alignment Sessions	Reports	N/A
			Improve interaction with local B's & neighbouring municipalities	Improve interaction with local B's & neighbouring municipalities	IGR Technical Clusters	Reports/ Minutes	N/A
	Infrastructure & Service	Spatial Development Framework	Manage the Drafting & Implementation and Review	SDF reviewed & Implemented	Approved SDF	Council Minutes	Local B's not completed



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Balance Scorecard Perspective	KPA	Deliverable/ Objective	Annual Target	Outcome	Evidence	Means of Verification	Reason for Deviation
			of the SDF				SDF's
	Environmental Management	Environmental Management	Manage the Drafting & Implementation of the Environmental Management Plan	Develop the Environmental Management Plan	Approved District Environmental Management Plan	Council Minutes	DBSA Funding not received



